IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") WITHIN THE MEANING OF RULE 144A ("RULE 144A") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR (2) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT.

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT IN COMPLIANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the offering memorandum or make an investment decision with respect to the securities, investors must be either (1) QIBs or (2) outside the United States as defined in Regulation S and purchasing the securities outside the United States in reliance on Regulation S; provided that investors resident in a Member State of the European Economic Area must be a qualified investor (within the meaning of Article 2(1)(e) of Directive 2003/71/EC and any relevant implementing measure in each Member State of the European Economic Area). The offering memorandum is being sent at your request. By accepting this e-mail and by accessing the offering memorandum, you shall be deemed to have represented to us and to the initial purchasers set forth in the attached offering memorandum (collectively, the "Initial Purchasers") that:

(1) you consent to delivery of such offering memorandum by electronic transmission; and

(2) either:

   (a) you and any customers you represent are QIBs; or

   (b) the e-mail address that you gave us and to which the e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia (and if you are resident in a Member State of the European Economic Area, you are a qualified investor).

Prospective purchasers that are QIBs are hereby notified that the seller of the securities will be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act pursuant to Rule 144A.

You are reminded that the offering memorandum has been delivered to you on the basis that you are a person into whose possession the offering memorandum may be lawfully delivered in accordance

with the laws of the jurisdiction in which you are located, and you may not, nor are you authorized to, deliver the offering memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of us in such jurisdiction.

Under no circumstances shall the offering memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The offering memorandum has not been approved by an authorized person in the United Kingdom and is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, the "FSMA") in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). The offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

The offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, or any person who controls any of the Initial Purchasers, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

€500,000,000

Numericable Finance & Co. S.C.A.

€225,000,000 8¾% Senior Secured Notes due 2019
€275,000,000 Senior Secured Floating Rate Notes due 2018

Numericable Finance & Co. S.C.A. (the "Issuer"), an unregulated securitization company in the form of a corporate partnership limited by shares (*société en commandite par actions*) organized and established under the laws of the Grand Duchy of Luxembourg ("Luxembourg"), acting by Numericable Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized and established under the laws of Luxembourg, is offering (the "Offering") €225.0 million aggregate principal amount of 8¾% Senior Secured Notes due 2019 (the "Fixed Rate Notes") and €275.0 aggregate principal amount of Senior Secured Floating Rate Notes due 2018 (the "Floating Rate Notes" and, together with the Fixed Rate Notes, the "Notes"). Interest will be paid on the Fixed Rate Notes semiannually on February 15 and August 15 of each year, commencing on February 15, 2013. Interest on the Floating Rate Notes will accrue at a rate equal to three-month EURIBOR plus 7.875% per annum, reset two business days before each of interest period. Interest will be paid on the Floating Rate Notes quarterly on January 15, April 15, July 15 and October 15 of each year, commencing on January 15, 2013. The Fixed Rate Notes will mature on February 15, 2019. The Floating Rate Notes will mature on October 15, 2018.

The proceeds from the offering of the Notes will be used by the Issuer to fund on the day after the date of the issuance of the Notes (the "Loan Funding Date") a sub-participation in a loan (the "Additional C2 Facility Loan") made on the Loan Funding Date by the Lending Bank (as defined herein) under a facility C (the "Additional C Facility") under the Senior Facility Agreement (as defined herein) to Ypso France S.A.S. ("Ypso France") and to subsequently acquire a direct participation in the Additional C2 Facility Loan. The Issuer is dependent upon payments under the Additional C2 Facility Loan to make payments under the Notes. The Issuer will apply all payments it receives under the Additional C2 Facility Loan, including in respect of principal, premium and interest, to make corresponding payments under the Notes.

Some or all of the Fixed Rate Notes may be redeemed on or after February 15, 2016, at the redemption prices set forth in this offering memorandum. Prior to February 15, 2016, some or all of the Fixed Rate Notes may be redeemed at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus, in each case, the applicable "make whole" premium, as described in this offering memorandum. Prior to February 15, 2015, up to 35% of the aggregate principal amount of the Fixed Rate Notes may be redeemed using the net proceeds from certain equity offerings at the redemption price set forth in this offering memorandum, if at least 65% of the originally issued aggregate principal amount of the Fixed Rate Notes remains outstanding.

Some or all of the Floating Rate Notes may be redeemed on or after October 15, 2013, at the redemption prices set forth in this offering memorandum. Prior to October 15, 2013, some or all of the Floating Rate Notes may be redeemed at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus, in each case, the applicable "make whole" premium, as described in this offering memorandum.

Additionally, all, but not less than all, of the Notes may be redeemed in the event of certain developments affecting taxation. Upon the occurrence of certain events constituting a change of control of the Issuer or Ypso France, the Issuer may be required to make an offer to repurchase all of the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any. In the event the Loan Funding Date does not occur on or before the Loan Funding Date, the Issuer will be required to redeem the Notes at 100% of the initial offering price of the Notes plus accrued and unpaid interest to the date of redemption.

On the date of issuance of the Notes (the "Issue Date"), Ypso France and each of the other obligors under the Senior Facility Agreement (collectively, the "Obligors") will agree in the Covenant Agreement (as defined herein) to comply with the covenants in the Indenture (as defined herein) that are applicable to them (other than payment obligations), as described in "Description of the Notes—Covenant Agreement".

The rights and remedies of the holders of the Notes against the Obligors upon any breach by an Obligor of its obligations under the Covenant Agreement will be limited to a right, following acceleration of the Notes to instruct the Issuer or the Notes Security Agent (as defined herein) or their respective nominees to accelerate the Additional C2 Facility Loan and to vote, subject to the terms of the voting agreement entered into by the Issuer, in connection with any enforcement of the collateral securing the Senior Facility Agreement. The holders of the Notes will not benefit, directly or indirectly, from many of the rights and protections granted to lenders under the Senior Facility Agreement, including the covenants contained in the Senior Facility Agreement, other than the indirect benefit of the payment obligations of the Obligors in respect of the Additional C2 Facility Loan, the indirect benefit of the security granted for the benefit of the lenders (including the Issuer) under the Senior Facility Agreement and certain other limited indirect benefits and rights. Neither Ypso Holding nor any of its subsidiaries will guarantee the Notes or provide any credit support to the Issuer with respect to its obligations under the Notes.

The Notes will be the senior obligations of the Issuer, secured by a first-ranking pledge over the ordinary shares of the Issuer held by the Limited Partner (as defined herein), a first ranking pledge over the shares of the General Partner (as defined herein), a first-ranking pledge over all bank accounts of the Issuer (together, the "Shared Note Collateral") and a first-ranking assignment of the Issuer's receivables under the Additional C2 Facility Loan, including the benefit of any Senior Facility Collateral (as defined herein) and any Senior Facility Guarantees. Pursuant to the Collateral Sharing Agreement (as defined herein), the Existing Notes (as defined herein), the Notes and any Additional Issuer Debt will benefit from the Shared Note Collateral on a *pari passu* basis. The Additional C2 Facility Loan will be a senior obligation of Ypso France and be secured by the Senior Facility Collateral (as defined herein).

There is currently no public market for the Notes. Application will be made for the Notes to be listed on the Official List of the Irish Stock Exchange and to be admitted for trading on the Global Exchange Market thereof. There is no assurance that the Notes will be admitted to trade on the Global Exchange Market.

Investing in the Notes involves a high degree of risk. Please see "Risk Factors" beginning on page 28 of this offering memorandum.

Price for the Fixed Rate Notes: 100.000%
Price for the Floating Rate Notes: 99.000%

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "U.S. Securities Act"), or the laws of any other jurisdiction, and may not be offered or sold within the United States except in compliance with Rule 144A under the U.S. Securities Act. In the United States, the Offering is being made only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A")) in compliance with Rule 144A. You are hereby notified that the Initial Purchasers (as defined herein) of the Notes may be relying on the exemption from certain provisions of the U.S. Securities Act provided by Rule 144A. Outside the United States, the Offering is being made in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). Please see "Notice to Investors" for additional information about eligible offerees and transfer restrictions.

The Notes will be issued in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented on issuance by one or more global notes, which we expect will be delivered in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream") on or about October 25, 2012. Please see "Book-Entry, Delivery and Form".

Joint Bookrunners

J.P. Morgan **BNP PARIBAS** **Citigroup** **Crédit Agricole CIB** **Credit Suisse**
Deutsche Bank **Goldman Sachs International** **HSBC** **Morgan Stanley**

The date of this offering memorandum is October 18, 2012.

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You should rely only on the information contained in this offering memorandum. Neither we, the Issuer nor the Initial Purchasers (as defined herein), has authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon as having been authorized by us. The Issuer is not, and the Initial Purchasers are not, making an offer of the Notes in any jurisdiction where such offer is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

IMPORTANT INFORMATION

This offering memorandum is confidential and has been prepared by us and the Issuer solely for use in connection with the Offering. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this offering memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to the purchase of Notes is unauthorized, and any disclosure of any of the contents of this offering memorandum, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum or any documents referred to in this offering memorandum.

In making an investment decision, prospective investors must rely on their own examination of the Issuer and of our company and the terms of the Offering, including the merits and risks involved. In addition, neither we, the Issuer nor any Initial Purchaser nor any of the Issuer's or the Initial Purchasers' respective representatives is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this offering memorandum as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this offering memorandum, and you must obtain all applicable consents and approvals; neither we, the Issuer nor the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements.

The Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or future.

We accept, and the Issuer accepts, responsibility for the information contained in this offering memorandum. To the best of our and the Issuer's knowledge and belief, the information contained in this offering memorandum with regard to us, the Issuer, and our subsidiaries and the Notes is in accordance with the facts and does not omit anything likely to affect the import of such information. However, the information set forth under the headings "Exchange Rate Information", "Summary", "Operating and Financial Review and Prospects", "Industry, Competition and Market Overview" and "Business" includes extracts from information and data, including industry and market data, released by publicly available sources in Europe and elsewhere. While we and the Issuer accept responsibility for the accurate extraction and summarization of such information and data, neither we nor the Issuer have independently verified the accuracy of such information and data and neither we nor the Issuer accept further responsibility in respect thereof.

The information set forth in relation to sections of this offering memorandum describing clearing arrangements, including the section entitled "Book-Entry, Delivery and Form", is subject to any change in, or reinterpretation of, the rules, regulations and procedures of Euroclear and Clearstream currently in effect. While we and the Issuer accept responsibility for accurately summarizing the information

concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information. In addition, this offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference.

By receiving this offering memorandum, you acknowledge that you have had an opportunity to request from us or the Issuer for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this offering memorandum. You also acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

None of the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission or any other regulatory authority has approved or disapproved of the Notes, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary could be a criminal offense in certain countries.

The Issuer and the Initial Purchasers reserve the right to reject all or a part of any offer to purchase the Notes, for any reason. The Issuer and the Initial Purchasers also reserve the right to sell less than all of the Notes offered by this offering memorandum or to sell to any purchaser less than the amount of Notes it has offered to purchase.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold in the United States, except in compliance with Rule 144A under the U.S. Securities Act. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please see "Notice to Investors" and "Plan of Distribution".

The distribution of this offering memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Please see "Notice to European Economic Area Investors", "Notice to Investors in France" and "Notice to U.K. Investors".

The Notes will be available in book-entry form only. We expect that the Notes sold pursuant to this offering memorandum will be issued in the form of one or more global notes, which will be deposited and registered in the name of the nominee of a common depositary for Euroclear and Clearstream. Beneficial interests in the global notes will be shown on, and transfers of the global notes will be effected only through, records maintained by Euroclear, Clearstream and their respective participants. After the initial issuance of the global notes, notes in certificated form will be issued in exchange for the global notes only as set forth in the Indenture. Please see "Book-Entry, Delivery and Form".

STABILIZATION

IN CONNECTION WITH THE OFFERING, J.P. MORGAN SECURITIES PLC (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON BEHALF OF J.P. MORGAN SECURITIES PLC) MAY OVER-ALLOT NOTES (PROVIDED THAT THE AGGREGATE PRINCIPAL AMOUNT OF NOTES ALLOTTED DOES NOT EXCEED 105% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE NOTES THAT ARE THE SUBJECT OF THE OFFERING) OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. NOTWITHSTANDING, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR

AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFERING IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT MUST END NO LATER THAN 30 DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS FROM THE ISSUE, OR NO LATER THAN 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES, WHICHEVER IS EARLIER.

NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

This offering memorandum has been prepared on the basis that the offer and sale of the Notes will be made pursuant to an exemption under the Prospectus Directive (as defined below) as implemented in member states of the European Economic Area ("EEA"), from the requirement to produce and publish a prospectus that is compliant with the Prospectus Directive, as so implemented, for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA or any of its member states (each a "Relevant Member State") of the Notes which are the subject of the placement referred to in this offering memorandum must only do so in circumstances in which no obligation arises for the Issuer or any of the Initial Purchasers to produce and publish a prospectus that is compliant with the Prospectus Directive, including Article 3 thereof, as so implemented for such offer. For EEA jurisdictions that have not implemented the Prospectus Directive, all offers of the Notes must be in compliance with the laws of such jurisdictions. Neither the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute a final placement of the Notes.

In relation to each Relevant Member State, each Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of the Notes which are the subject of the Offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

(i) to any legal entity that is a "qualified investor" (as defined in the Prospectus Directive);

(ii) to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than "qualified investors" (as defined in the Prospectus Directive)), as permitted under the Prospectus Directive subject to obtaining the prior consent of the Initial Purchasers nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Notes shall result in a requirement for the publication by the Issuer or the Initial Purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO U.S. INVESTORS

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this offering memorandum under "Notice to Investors". The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are subject to certain restrictions on transfer. Prospective purchasers are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain further restrictions on resale or transfer of the Notes, see "Notice to Investors". The Notes may not be offered to the public within any jurisdiction. By accepting delivery of this offering memorandum, you agree not to offer, sell, resell transfer or deliver, directly or indirectly, any Notes to the public.

NOTICE TO INVESTORS IN FRANCE

The Notes have not been and will not be offered or sold to the public in the Republic of France, and no offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in the Republic of France.

The Notes may only be offered or sold in the Republic of France to (i) providers of third-party portfolio management investment services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, acting for their own account, all as defined in and in accordance with articles L. 411-1, L. 411-2 and D. 411-1 to D. 411-3 of the French *Code monétaire et financier*.

Prospective investors are informed that:

(i) this offering memorandum has not been submitted to the French financial market authority (*Autorité des marchés financiers*);

(ii) qualified investors (*investisseurs qualifiés*) referred to in article L. 411-2-II-2 of the French *Code monétaire et financier* may participate in the Offering for their own account, as provided under articles D. 411-1 to D. 411-3, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier*; and

(iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier*.

NOTICE TO U.K. INVESTORS

The issue and distribution of this offering memorandum is restricted by law. This offering memorandum is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 (the "FSMA") by, a person authorized under the FSMA. This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order")), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. No part of this offering memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Issuer.

NOTICE TO LUXEMBOURG INVESTORS

This offering memorandum has not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*) for purposes of a public offering or sale in Luxembourg. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this offering memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Act of July 10, 2005 on prospectuses for securities, as amended (the "Prospectus Act") and implementing the Prospectus Directive. Consequently, this offering memorandum and any other offering circular, prospectus, form of application, advertisement or other material may only be distributed to (i) Luxembourg qualified investors as defined in the Prospectus Act and (ii) no more than 149 prospective investors, which are not qualified investors.

AVAILABLE INFORMATION

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and the Issuer is neither subject to Section 13 or 15(d) of the U.S. Exchange Act of 1934, as amended (the "U.S. Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, it will, upon the request of any such person, furnish to any holder or beneficial owner of Notes, or to any prospective purchaser designated by any such registered holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

INDUSTRY AND MARKET DATA

This offering memorandum contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to our business and markets. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

We have generally obtained the market and competitive position data in this offering memorandum from industry publications and from surveys or studies conducted by third-party sources that we believe to be reliable, including a market study we commissioned from an international management consulting firm. Nonetheless, we cannot assure you of the accuracy and completeness of such information, and we have not independently verified such market and position data. We do, however, accept responsibility for the correct reproduction of this information.

In addition, in many cases, we have made statements in this offering memorandum regarding our industry and position in the industry based on our experience and our own investigation of market conditions. Internal company analyses, surveys or information, which we believe to be reliable, have not been verified by any independent sources and we cannot assure you that any of these assumptions are accurate or correctly reflect our position in the industry. Neither we nor any of the Initial Purchasers make any representation as to the accuracy of such information.

This offering memorandum contains references to our Group being "the sole cable operator in France". Please note that in making this statement, we have not taken into account the market shares of small regional cable operators, which together represent less than 1% of the cable network in France.

FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements, which are based on our current expectations and projections about future events. All statements other than statements of historical fact included in this offering memorandum including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. Words such as "believe", "expect", "anticipate", "may", "assume", "plan", "intend", "will", "should", "estimate", "risk" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.

In addition, any forward-looking statements are made only as of the date of this offering memorandum and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this offering memorandum.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this offering memorandum. Factors that could cause such differences in actual results include:

- the highly competitive nature of our industries;
- the deployment of fiber networks by our competitors;
- the fact that we do not own a mobile network;
- customer churn;
- continued demand for triple-play and quadruple-play services;
- the global economic downturn and, in particular, the economic environment in France;
- risks associated with the instability of the euro and the eurozone;
- adverse decisions of tax authorities or changes in tax law;
- our ability to introduce new or modified services or respond to technological developments successfully;
- our dependence on broadcasters for the provision of programs distributed via our network;
- increasing operating costs and inflation risks;
- our dependence on third-party suppliers;
- the fact that one of our affiliates, Completel, owns a substantial part of the network we use to provide our services;
- events beyond our control that could damage our networks;
- strikes and other industrial action;
- potential negative return on capital expenditures;
- our dependence on intellectual property rights;
- the outcome of legal proceedings;

- the risk of interference from mobile operators affecting the quality of our television services;
- the reputation of our brands;
- the complex legal status of the ownership of our network;
- government regulations;
- the loss of key personnel;
- interest rate risks;
- difficulties in acquiring new businesses or integrating acquired businesses;
- our substantial debt; and
- the other factors discussed in more detail under "Risk Factors".

We disclose important factors that could cause our actual results to differ materially from our expectations in "Risk Factors" and "Operating and Financial Review and Prospects". Other sections of this offering memorandum describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for us to predict all such risks. We cannot assess the impact of all risks on our business or the extent to which any risk, or combination of risks, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements Presented

The Issuer was established in Luxembourg as an unregulated securitization company in the form of a corporate partnership limited by shares (*société en commandite par actions*) on January 31, 2012. It has no material assets (other than its rights under the Additional C1 Facility Loan) or liabilities (other than its liabilities under the Existing Notes) and it has not engaged in any activities other than those related to its formation and the offering of the Existing Notes and the acquisition of the Additional C1 Facility Loan. Consequently, limited historical financial information relating to the Issuer is available, and the financial information included in this offering memorandum with respect to the Issuer consists of the audited opening balance of the Issuer as of January 31, 2012 and the unaudited interim financial information of the Issuer as of June 30, 2012 and for the period from January 31, 2012 to June 30, 2012, which have been prepared in accordance with Luxembourg GAAP. The Issuer intends to publish its first annual financial statements in respect of the year ended December 31, 2012. Financial statements will be published by the Issuer on an annual basis, and the Issuer will not prepare interim financial statements.

We have included and primarily discuss in this offering memorandum the audited consolidated financial statements of Ypso France S.A.S. and its subsidiaries as of and for the years ended December 31, 2009, 2010 and 2011 and the unaudited interim condensed consolidated financial statements of Ypso France S.A.S. and its subsidiaries as of and for the six months ended June 30, 2011 and 2012. Accordingly, all references to "we", "us" or "our" in respect of historical financial information in this offering memorandum are to Ypso France S.A.S. and its subsidiaries on a consolidated basis. The audited consolidated financial statements of Ypso France S.A.S. included herein and the accompanying notes thereto have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The unaudited interim condensed consolidated financial statements of Ypso France S.A.S. included herein and the accompanying notes thereto have been prepared in accordance with IAS 34 "Interim Financial Information", the IFRS standard applicable to interim reporting.

In making an investment decision, you must rely upon your own examination of the terms of the Offering and the financial information contained in this offering memorandum. You should consult your own professional advisors for an understanding of the differences between IFRS and U.S. GAAP and how those differences could affect the financial information contained in this offering memorandum.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our financial statements, are disclosed in our audited consolidated financial statements.

Our financial statements have been prepared based on a calendar year and are presented in euro rounded to the nearest thousand. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding.

The accounting policies set forth in the "F-pages" have been consistently applied to all periods presented.

Other Financial Measures

This offering memorandum contains non-IFRS measures and ratios, including EBITDA and Adjusted EBITDA (each as defined below), that are not required by, or presented in accordance with SEC requirements, IFRS or the accounting standards of any other jurisdiction. We have included these

measures because management uses them to measure operating performance, in presentations to our directors and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of our operating cash flows and liquidity. Our non-IFRS measures are defined by us as follows:

- "EBITDA" represents operating income before depreciation and amortization;
- "Adjusted EBTIDA" represents EBITDA as adjusted to eliminate the impact of certain items, as described in footnote 2 under "Summary—Summary Financial Information and Other Data";
- "EBITDA margin" is calculated as EBITDA divided by revenue; and
- "Adjusted EBITDA margin" is calculated as Adjusted EBITDA divided by revenue.

Our non-IFRS measures have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under IFRS as set forth in our financial statements. Some of these limitations related to EBITDA and are:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures or future requirements for capital commitments;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA and Adjusted EBITDA do not reflect the interest expense or cash requirements necessary to service interest or principal payments on our debt;
- EBITDA and Adjusted EBITDA do not reflect any cash income and certain other taxes that we may be required to pay;
- EBITDA and Adjusted EBITDA are not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- EBITDA and Adjusted EBITDA do not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations;
- assets are depreciated or amortized over differing estimated useful lives and often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, our non-IFRS measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our IFRS results and using these non-IFRS measures only supplementally to evaluate our performance.

Operating Measures

This offering memorandum contains certain operating measures which we have included because management uses them to measure operating performance, in presentations to our directors and as a basis for strategic planning and forecasting. Our operating measures are defined by us as follows:

- "ARPU" represents the average monthly revenue per user, a measure used to evaluate how effectively we are realizing potential revenues from our direct digital subscribers. It is calculated on yearly and quarterly bases by dividing our total direct digital subscription-related revenue, excluding installation and carriage fees, for the period considered by the number of our direct digital subscribers served in that period. Operational data related to ARPU presented in this

offering memorandum do not reflect ARPU from White Label end-users. Operational data related to gross-adds ARPU and customer-base ARPU presented in this offering memorandum reflect ARPU from our direct digital subscribers only;

- "churn" represents the percentage measure of the number of subscribers disconnected during a particular period (either at the subscriber's request or due to a termination of the subscription by us) and excluding transfers between our products, divided by the number of subscribers during such period; and
- "gross adds" represents the number of new customers paying a monthly fee for at least one of our core service (television, broadband Internet, fixed-line telephony and mobile telephony) in a particular period.

CERTAIN DEFINITIONS

The following terms used in this offering memorandum have the meanings assigned to them below:

"Additional C Facility"	The facility under the Senior Facility Agreement, under which the Additional C1 Facility Loan has been made and the Additional C2 Facility Loan will be made.
"Additional C1 Facility Loan"	The €360.2 million loan made on February 15, 2012 by J.P. Morgan Securities Ltd. to Ypso France under the Additional C Facility, and acquired by the Issuer on February 15, 2012 in accordance with the terms of the Existing Indenture.
"Additional C1 Facility Voting Undertaking"	The voting undertaking delivered by the Issuer on February 15, 2012 as amended on or about the Issue Date, in connection with the Additional C1 Facility Loan, a form of which is attached as Annex C to this offering memorandum.
"Additional C2 Facility Loan"	The loan to be made on the Loan Funding Date by the Lending Bank to Ypso France under the Additional C Facility, in an amount equal to the aggregate principal amount of the Notes issued on the Issue Date. Pursuant to the Indenture, the Issuer is required to acquire the Additional C2 Facility Loan. The Additional C2 Facility Loan includes the C2 Loan Tranche A and the C2 Loan Tranche B.
"Additional C2 Facility Voting Undertaking"	The voting undertaking to be delivered by the Issuer on the Loan Acquisition Date in connection with the Additional C2 Facility Loan, a form of which is attached as Annex C to this offering memorandum.
"Additional Issuer Debt"	Please see "Description of the Notes—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock".
"Additional Revolving Facility"	The €65 million additional revolving facility under the Senior Facility Agreement, made available to Ypso France on February 15, 2012.
"ARCEP"	*Autorité de Régulation des Communications Electroniques et des Postes*, the French regulatory authority for electronic and postal communications.
"Bank Facilities"	The facilities under the Senior Facility Agreement (other than the Additional C Facility) including the Additional Revolving Facility.
"Bouygues Telecom"	Bouygues Telecom S.A., a French telecommunications operator.
"C2 Loan Tranche A"	The tranche under the Additional C2 Facility Loan in an amount equal to the aggregate principal amount of the Fixed Rate Notes issued on the Issue Date.

"C2 Loan Tranche B"	The tranche under the Additional C2 Facility Loan in an amount equal to the aggregate principal amount of the Floating Rate Notes issued on the Issue Date.
"Coditel"	Coditel Belgium and Coditel Luxembourg, together.
"Coditel Belgium"	Coditel Brabant SPRL, the entity through which we provided cable network services in Belgium prior to our sale of all of the shares of such entity pursuant to a share purchase agreement dated May 19, 2011.
"Coditel Luxembourg"	Coditel S.à r.l., the entity through which we provided cable network services in Luxembourg prior to our sale of all of the shares of such entity pursuant to a share purchase agreement dated May 19, 2011.
"Collateral Sharing Agreement"	The collateral sharing agreement entered into among the Issuer, the Trustee and the Note Security Agent on February 14, 2012, as amended and restated on or about the Issue Date.
"Completel"	Completel S.A.S., a wholesale provider of voice, data and Internet-related services to corporate clients, telecommunication operators and public authorities, which is controlled by our shareholders.
"Covenant Agreement"	The covenant agreement to be entered into on the Issue Date among the Trustee, the Issuer and each of the Obligors pursuant to which the Obligors will undertake to comply with the covenants (other than payment obligations) applicable to them under the Indenture.
"ERISA"	The U.S. Employee Retirement Income Security Act of 1974, as amended.
"EU"	European Union.
"euro", "EUR" or "€"	Euro, the currency of the EU Member States participating in the European Monetary Union.
"Existing Covenant Agreement"	The covenant agreement entered into on February 14, 2012, among the trustee for the Existing Notes, the Issuer and each of the Obligors, pursuant to which the Obligors undertook to comply with the covenants (other than payment obligations) applicable to them under the Existing Indenture.
"Existing Indenture"	The indenture dated February 14, 2012, governing the Existing Notes, as amended on or about the Issue Date.
"Existing Notes"	The existing 12⅜% Senior Secured Notes due 2019 that were issued by the Issuer on February 14, 2012 in an aggregate principal amount of €360,200,000.
"February 2012 Refinancing"	The partial prepayment of certain tranches of our Senior Facility Agreement in an aggregate principal amount of €350.0 million which was effected on February 15, 2012.

"Fee Agreement"	The fee agreement to be entered into on or prior to the Issue Date between the Issuer and Ypso France pursuant to which any discount, fees, expenses or similar amounts (including taxes, if any) incurred by the Issuer in relation to the Offering will be paid by Ypso France.
"France Telecom-Orange"	France Telecom S.A., a French telecommunications operator that acquired Orange plc in 2001 and merged Orange plc's existing mobile operations into France Telecom S.A. "Orange" is the brand used by France Telecom for its mobile network operator and Internet service provider subsidiaries.
"Free"	Iliad S.A., a French telecommunications operator, which markets its services under the "Free" brand.
"French GAAP"	Generally accepted accounting principles in France.
"GDP"	Gross domestic product.
"General Partner" (*gérant commandité*)	Numericable Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered office at 13-15, Avenue de la Liberté, L1931 Luxembourg, with a share capital of €12,500 registered with the Luxembourg Register of Commerce and Companies under registration number B 166.621.
"Group"	Please see the definition of "Numericable" below.
"IFRS"	International Financial Reporting Standards as adopted by the European Union.
"Indenture"	The indenture, to be entered into on or about the Issue Date, governing the Notes offered hereby.
"Initial Purchasers"	J.P. Morgan Securities plc, BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc and Morgan Stanley & Co. International plc.
"Intercreditor Agreement"	The intercreditor agreement, dated June 6, 2006, as amended and restated on July 18, 2006, March 12, 2007 and September 16, 2011 and as amended on October 12, 2012 between, among others, Ypso Holding, as parent; Ypso France, Altice France EST S.A.S., Coditel Debt S.à r.l., Est Videocommunication S.A.S., Numericable S.A.S. and NC Numericable S.A.S., as original borrowers and original guarantors; BNP Paribas, CALYON, Lehman Brothers Bankhaus AG, London Branch and Morgan Stanley Bank International Limited, as mandated lead arrangers; BNP Paribas, as agent and security agent; and the Lenders named therein, a copy of which is attached as Annex B to this offering memorandum. The Issuer is a party to the

	Intercreditor Agreement pursuant to an accession deed dated February 15, 2012.
"Issue Date"	The date on which the Notes will be issued and the closing of the Offering will take place.
"Issuer"	Numericable Finance & Co. S.C.A., an unregulated securitization company in the form of a corporate partnership limited by shares (*société en commandite par actions*) incorporated under the laws of Luxembourg, having its registered office at 13-15 Avenue de la Liberté, L-1931 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under registration number B 166.649, acting by its General Partner.
"Lending Bank"	J.P. Morgan Securities plc or an affiliate thereof, which shall lend the Additional C2 Facility Loan to Ypso France on the Loan Funding Date.
"Limited Partner"	Stichting Ypso 2.
"Loan Acquisition Date"	The date on which the Issuer will acquire the Additional C2 Facility Loan from the Lending Bank, which is expected to be on or about the Loan Funding Date.
"Loan Funding Date"	The date on which the Lending Bank advances the Additional C2 Facility Loan to Ypso France, which is expected to be the day after the Issue Date.
"Luxembourg GAAP"	Generally accepted accounting principles in Luxembourg.
"NC Numericable"	NC Numericable S.A.S., one of our operating subsidiaries.
"Note Collateral"	The Shared Note Collateral and the Issuer's receivables under the Additional C2 Facility Loan (including the benefit of any Senior Facility Collateral and Senior Facility Guarantees securing the same), which will be subject to a first-ranking security interest for the benefit of the holders of the Notes pursuant to the Receivables Assignment.
"Note Collateral Documents"	The security documents under which the security interests over the Note Collateral have been or will be created.
"Notes Security Agent"	Citibank, N.A., London Branch, in its capacity as security agent for the Notes.
"Numericable", "Group", "we", "us" and "our"	Ypso France and its subsidiaries (including any of their predecessors) except where the context requires otherwise.
"Receivables Assignment"	The assignment of the Issuer's receivables under the Additional C2 Facility Loan (including the benefit of any Senior Facility Collateral and Senior Facility Guarantees securing the same) to be granted by the Issuer on or about the Issue Date for the benefit of the holders of the Notes.

"Refinancing"	The partial prepayment of certain tranches of our Senior Facility Agreement in an aggregate principal amount of €400 million to be effected on or about the Loan Funding Date. Please see "Use of Proceeds".
"Restricted Subsidiary"	Please see "Description of the Notes—Certain Definitions—Restricted Subsidiaries".
"Senior Facility Agreement"	The senior facility agreement, dated June 6, 2006, as amended and restated on July 18, 2006, July 28, 2006 and March 2, 2007, as amended by a letter dated June 24, 2008, as amended and restated on December 9, 2009, as amended and restated on September 16, 2011, and as amended on January 24, 2012 and October 12, 2012 between, among others, Ypso Holding, as parent; Ypso France, Altice France EST S.A.S., Coditel Debt S.à r.l., Est Videocommunication S.A.S., Numericable S.A.S. and NC Numericable S.A.S., as original borrowers and original guarantors; BNP Paribas, CALYON, Lehman Brothers Bankhaus AG, London Branch and Morgan Stanley Bank International Limited, as mandated lead arrangers; BNP Paribas, as agent and security agent; and the Lenders named therein, a copy of which is attached as Annex A to this offering memorandum.
"Senior Facility Collateral"	The collateral securing the Senior Facility Agreement, including the Additional C1 Facility Loan and the Additional C2 Facility Loan thereunder. Please see "Description of Other Indebtedness—Senior Facility Agreement—Security and Guarantees".
"Senior Facility Guarantees"	The guarantees of the Senior Facility Guarantors for the benefit of the lenders under the Senior Facility Agreement, including the Issuer in its capacity as lender under the Additional C Facility.
"Senior Facility Guarantors"	The guarantors under the Senior Facility Agreement, including the Additional C1 Facility Loan and the Additional C2 Facility Loan thereunder. Please see "Description of Other Indebtedness—Senior Facility Agreement—Security and Guarantees".
"Senior Facility Security Agent"	BNP Paribas, in its capacity as security agent for the Senior Facility Agreement.
"SFR"	SFR S.A., a French telecommunications operator.
"Shared Note Collateral"	The ordinary shares of the Issuer held by the Limited Partner, the shares of the General Partner and all of the bank accounts of the Issuer, each of which will be subject to a first-ranking security interest for the benefit of the holders of the Notes pursuant to certain Note Collateral Documents. Pursuant to the Collateral Sharing Agreement, the Existing Notes, the Notes and any Additional Issuer Debt will benefit from the Shared Note Collateral on a *pari passu* basis.

"Sub-Participation Agreement"	The sub-participation agreement to be entered into between the Issuer and the Lending Bank on the date the Additional C2 Facility Loan is committed and pursuant to which the Issuer will use the proceeds from the offering of the Notes to fund a sub-participation in the Additional C2 Facility Loan to be made by the Lending Bank to Ypso France.
"Trustee"	Citibank, N.A., London Branch, in its capacity as trustee for the Notes.
"U.S." or "United States"	The United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
"U.S. dollars", "dollars", "U.S.$" or "$"	The lawful currency of the United States.
"U.S. GAAP"	Generally accepted accounting principles in the United States.
"U.S. Securities Act"	The U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.
"Ypso France" or the "Company" . . .	Ypso France S.A.S.
"Ypso Holding"	Ypso Holding S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized and established under the laws of Luxembourg, having its registered office at 37, rue d'Anvers, L-1130 Luxembourg, with a share capital of €41,898,225 and registered with the Luxembourg Register of Commerce and Companies under number B 110.644.

We have provided definitions for some of the industry terms used in this offering memorandum in the "Glossary" beginning on page G-1 of this offering memorandum.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as U.S. dollars per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this offering memorandum. Neither we nor the Initial Purchasers represent that the U.S. dollar amounts referred to below could be or could have been converted into euro at any particular rate indicated or any other rate.

The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily Bloomberg Composite Rates during that month, or shorter period, as the case may be.

The Bloomberg Composite Rate of the euro on October 15, 2012 was U.S.$1.2949 per €1.00.

	U.S. dollars per €1.00			
Year	**Average[(1)]**	**High**	**Low**	**Period End**
2007	1.4591	1.4967	1.2868	1.4583
2008	1.3973	1.6038	1.2331	1.3953
2009	1.4326	1.5145	1.2458	1.4331
2010	1.3387	1.4580	1.1876	1.3366
2011	1.3924	1.4940	1.2858	1.2960
Month				
April 2012	1.3166	1.3330	1.3063	1.3229
May 2012	1.2795	1.3222	1.2364	1.2364
June 2012	1.2539	1.2692	1.2384	1.2651
July 2012	1.2291	1.2612	1.2053	1.2306
August 2012	1.2406	1.2582	1.2149	1.2578
September 2012	1.2870	1.3141	1.2566	1.2856
October 2012 (through October 15, 2012)	1.2944	1.3058	1.2875	1.2949

(1) "Average" means the average of the exchange rates on the last business day of each month for annual averages and the average of the exchange rates on each business day during the relevant period for monthly averages.

SUMMARY

The summary below highlights information contained elsewhere in this offering memorandum. The summary does not contain all of the information that you should consider before investing in the Notes. You should read the entire offering memorandum carefully, including the financial statements and notes to those financial statements. You should read "Risk Factors" for more information about important factors that you should consider before buying the Notes and "Forward-Looking Statements" for more information about statements in this offering memorandum that are not historical facts.

Business Overview

We are the sole cable operator in France. We are a leading provider of television and broadband Internet services in our network area in France. We primarily offer triple- and quadruple-play packages, which include television, broadband Internet and fixed-line telephony services and, in the case of quadruple-play packages, mobile telephony services. We also sell triple-play packages under our White Label offering to third-party operators (Bouygues, Darty and Auchan) who resell them under their own brand names. We also offer analog television services to residential customers, bulk digital services to multiple-dwelling unit managers and infrastructure-based services to other telecommunications operators. As of June 30, 2012, we served approximately 1.3 million direct residential subscribers, as well as approximately 246,000 White Label end-users and approximately 1.8 million bulk customers.

We believe that our cable network is one of the most technologically advanced in Europe. It utilizes hybrid fiber and coaxial cable and is fiber-rich, which gives it inherent capacity, speed and quality advantages compared to copper-based DSL networks. Our cable network is deployed in more than 90% of French cities of over 100,000 inhabitants and is one of the two core end-to-end networks with extensive local loop infrastructure in France, the other being owned by France Telecom-Orange. As of June 30, 2012, our network connected over 9.8 million, or approximately 35% of, French homes, including approximately 4.6 million homes connected to our EuroDocsis 3.0-enabled network by an FTTB connection, approximately 3.8 million homes connected to our EuroDocsis 2.0-enabled network and 1.5 million homes connected to our standard coaxial cable network without bi-directional capability. The part of our network that uses EuroDocsis 3.0 technology currently provides a maximum download speed of 200 Mbits/s, which is the highest available in France on a large scale and allows our customers to connect several devices (such as computers, tablets and smartphones) simultaneously without impairing the quality of television signals or the speed and quality of the Internet connection. We believe this download speed gives us an advantage over our competitors. The part of our network that uses EuroDocsis 2.0 technology provides a maximum download speed of 30 Mbits/s, which we believe is higher than our DSL competitors. Both the EuroDocsis 3.0 and the EuroDocsis 2.0 technologies enable us to offer our customers interactive services requiring large bandwidths, including HDTV and 3D-TV. We believe that the picture quality of our television product, especially for HDTV channels, is superior to that of the IPTV technology used by our competitors and that this will become an increasingly important differentiator, especially for customers with wide-screen television sets. The part of our network that uses standard coaxial cable allows us to provide television services. Our overall network, which is comprised of a combination of networks we inherited from French cable operators we acquired and the network of our affiliate Completel, is operated as a single network pursuant to several long-term indefeasible rights of use ("IRU") with Completel and France Telecom-Orange and various agreements with public authorities.

Numericable was formed through the consolidation of numerous French cable operators, including Numericable, Noos and Est Video Communication, which was completed in 2005 and 2006. Our predecessor companies were offering predominantly only television services and had not yet commenced the commercial offering of broadband Internet services. We subsequently focused on integrating our customer offers and back-office functions, which resulted in Numericable growing less strongly than other European cable operators, and upgrading our networks to offer triple-play services.

Following the full integration, we have focused since 2009 on our triple-play offer and migrating analog and digital video-only customers to multi-play packages. We also added White Label services to increase our market penetration. The success of our multi-play strategy is demonstrated by the increase in the number of customers that subscribe to our digital multi-play products (from approximately 850,000 customers as of December 31, 2009 to approximately 942,000 as of June 30, 2012) and the decrease in the number of customers that subscribe to our stand-alone digital pay-television offering (from approximately 356,000 customers as of December 31, 2009 to 242,000 as of June 30, 2012).

For the six months ended June 30, 2012, our revenue was €436.3 million, a 1.7% increase over the six months ended June 30, 2011; our EBITDA was €219.5 million, a 3.2% decrease over the six months ended June 30, 2011; and our ARPU generated by direct digital subscribers was €41.0 per month for the three months ended June 30, 2012, a 1.7% increase over the three months ended December 31, 2011. For the year ended December 31, 2011, our revenue was €865.1 million, a 2.1% increase from the year ended December 31, 2010; and our EBITDA was €425.3 million, a 4.9% increase from the year ended December 31, 2010.

We provide the following services to our customers:

Residential Digital Services. We provide television, broadband Internet, fixed-line telephony and mobile telephony services to residential subscribers and small businesses. We primarily offer triple- and quadruple-play packages which enable subscribers to conveniently subscribe to television, broadband Internet and fixed-line telephony services and, in the case of quadruple-play packages, mobile telephony services, together at attractive prices. We market our triple- and quadruple-play services aggressively and although our focus is now on providing our existing and new customers with multiple-play services, we continue to offer stand-alone television, broadband Internet, fixed-line telephony and mobile telephony services to our existing customers.

Triple- and quadruple-play. As of June 30, 2012, subscribers to our triple- and quadruple-play offerings represented approximately 63% of our direct digital subscribers and approximately 58% of our overall direct subscribers (calculated, in each case, excluding our White Label end-users). The quality of our triple-play offering was recognized by 01net, which ranked us first in terms of overall service quality both in Paris and in France generally in June 2012. On May 15, 2011, we launched our quadruple-play offering, capitalizing on our mobile virtual network operators ("MVNO") agreements with Bouygues Telecom. We believe it has proven successful, with an increasing portion of our new customers subscribing to quadruple-play offers.

Television. Our television offering is available at prices similar to those of our competitors and includes 200-320 digital television channels, including up to 37 HDTV channels. We believe that our television services are among the most attractive in the French market, with (i) higher picture quality and more HDTV channels than our DSL competitors, (ii) interactive functionalities such as video-on-demand ("VOD") and catch-up television, and (iii) innovative features such as 3D-TV. We also offer customers in our network area the opportunity to subscribe to packages of channels with different themes, such as sports and drama. The quality of our television offering was recognized by *L'Observatoire de la Haute Définition* (a report on HD published by specialist consultancy firm NPA Conseil) and *Mediatvcom*, each of which ranked us first in France for the quality of our HDTV offering in 2010 and 2011.

Broadband Internet. Our broadband Internet offering provides download speeds of up to 200 Mbits/s in our EuroDocsis 3.0 network areas and up to 30 Mbits/s in our EuroDocsis 2.0 network areas, which we believe are higher than those offered by our DSL competitors for similar prices and makes our offering one of the most attractive in the French market. The high quality of our broadband Internet offering is confirmed by NetIndex.com, a website anonymously compiling global Internet speed

data, which ranked us first in France in terms of speed over the period from April 2010 to October 2012.

Fixed-line telephony. Our fixed-line telephony services, which use Voice over Internet Protocol ("VoIP") technology, offer our subscribers unlimited local and national fixed-line telephone calls, unlimited telephone calls to selected foreign countries and a variety of value-added telephony features.

Mobile telephony. We believe that our mobile telephony services, which we provide under our MVNO agreements with Bouygues Telecom, provide our customers with one of the best value-for-money mobile telephony offerings in France with unlimited national calls to both fixed and mobile telephones, unlimited text messaging and unlimited national data access. We do not currently offer free or subsidized handsets, and do not intend to do so. In January 2012, following Free's entry into the mobile telephony market with an unlimited offering at €19.99 per month, we launched a new mobile telephony offering at €19.99 per month to new and existing customers, which includes unlimited calls in France and 40 international destinations in Europe and North America, unlimited text messages and up to 3 GB of mobile Internet. Customers of our new offer do not have to contract to a tie-in period. Our new plan is the only unlimited mobile service at this price available in stores, with personal customer service, unlike Free and other operators' low-cost brands, whose offerings are available only online.

As of June 30, 2012, we provided multiple-play packages to approximately 942,000 subscribers, an increase of 2.0% from June 30, 2011 and provided stand-alone digital television to approximately 242,000 subscribers, a decrease of 16.4% from June 30, 2011. Our residential digital services generated €325.2 million, representing 74.5% of our total revenues for the six months ended June 30, 2012.

White Label Services. We provide White Label triple-play services to leading French retailers Darty and Auchan and telecommunications operator Bouygues Telecom under long-term contracts, allowing them to sell triple-play packages under their own brands to their own subscribers. Our White Label services are tailored to the needs and requirements of each of our customers. They include television content and broadband Internet access, as well as the products and services that each retailer or operator prefers to source from us, such as fixed-line telephony services for our customers who do not own a telephony network, set-top boxes, maintenance, customer care and billing. Our White Label offering has been a key component of our growth since 2009 and we expect it to be an important part of our business in the future. As of June 30, 2012, we provided White Label triple-play services to approximately 246,000 end-users, an increase of 69.0% from June 30, 2011. Our White Label services generated €26.8 million of revenues in the year ended December 31, 2010, €53.8 million in the year ended December 31, 2011 and €34.7 million in the six months ended June 30, 2012, representing 7.9% of our revenues for the six months ended June 30, 2012. We believe that each White Label customer makes an economic contribution to our overall profitability similar to that of an individual digital customer.

Bulk Services. We offer a basic triple-play package to building managers, which includes a basic digital television package of 48 channels, 30 radio channels, unlimited broadband Internet access up to 2 Mbits/s and unlimited inbound fixed-line telephone calls, as well as basic television services, for a fixed subscription fee per apartment, irrespective of whether our services are actually used by the residents. Our bulk offering gives us the opportunity to up-sell to residents some of the individual digital packages we otherwise offer. We typically enter into long-term contracts of five years for the supply of our bulk services. Our bulk services generated €35.7 million, representing 8.2% of our total revenues, for the six months ended June 30, 2012.

Analog Services. We continue to provide analog television services to approximately 117,000 individual subscribers as a legacy product offering. The transition in France from analog to digital television broadcasting was completed in November 2011. Digital terrestrial television ("DTT") allows

the public to receive a free television package that is comparable to our analog package. In response, we have developed targeted promotional triple-play offers to migrate certain of our existing analog customers to digital television. Our analog services generated €19.6 million, representing 4.5% of our revenues for the six months ended June 30, 2012. We do not expect to continue offering our analog services in the long term.

Wholesale Services. We provide infrastructure-based wholesale services, including IRUs, resale of bandwidth capacity on our network and related maintenance services, to other telecommunications operators. Our wholesale services generated €21.3 million, representing 4.9% of our revenues for the six months ended June 30, 2012.

Our Competitive Strengths

We believe that we benefit from the following key strengths:

We are the sole cable operator in the attractive French market. We are the sole cable operator in France. Our hybrid fiber coaxial network based on FTTB technology allows us to provide speed levels and television image quality and reliability that cannot currently be matched by our DSL competitors and is particularly well suited for the provision of services with high bandwidth requirements. As a result, we have successfully taken advantage of existing opportunities to up-sell broadband Internet access, telephony and digital television services to our existing cable television customer base, increasing our average services per customer from 1.95 on December 31, 2009 to 2.33 services on June 30, 2012. The size of the French broadband Internet and triple-play subscription market in 2011 was approximately €8.9 billion (Source: ARCEP), and offers attractive growth prospects. In that context we believe that we are well positioned to seize upcoming opportunities, increase our revenues and improve our profitability.

Our state-of-the-art and highly invested network provides us with a competitive edge over our competitors to offer higher quality triple- and quadruple-play services. We are the sole cable operator in France and one of the two operators, alongside France Telecom-Orange, to own core end-to-end infrastructure from the backbone (which refers to the principal data routes between large, strategically interconnected networks and core routers) to last-mile customer access. We believe that our state-of-the-art, highly invested fiber and coaxial cable network allows us to offer services that are superior to those of our competitors in terms of picture quality, speed, connection reliability and value for money. Fiber and coaxial cable networks have inherent capacity and quality advantages compared to copper-based DSL networks and as a cable operator, we are currently able to offer more capacity for simultaneous distribution of digital television, high-speed broadband and fixed-telephony services. As of June 30, 2012, a portion representing over 85% of our network and connecting 8.4 million French homes was fully upgraded to bi-directional capability, thus enabling us to provide these 8.4 million homes with triple-play services. As of the same date, over 4.6 million homes within our footprint were connected to a EuroDocsis 3.0-enabled network by an FTTB connection, allowing us to offer what we believe are the highest quality and most reliable digital services generally available in the French market, including HDTV, 3D-TV, the most sophisticated interactive television services such as VOD and catch-up television, and the fastest broadband speeds (200 Mbits/s). We believe that, in order to provide comparable television services and broadband Internet speeds using currently available technologies, our competitors would be required to make significant investments over several years. An average French household is already equipped with 5.5 devices and we expect that bandwidth requirements will increase for HDTV and 3D-TV services as a result of more devices using the same connection. We believe that our existing network assets allow us to meet those future connectivity requirements at lower investment costs than our competitors.

Our recent set-top box "La Box" allows us to attract premium customers and promote the sales of our premium services. We launched "La Box", our all-in-one integrated set-top box and cable router in

January 2012, and generalized its commercialization in May 2012. We believe it is one of the most powerful and interactive set-top boxes in France. We expect that the introduction of La Box will result in the increase of our ARPU by attracting new customers and prompting existing customers to upgrade to our premium packages, which offer La Box as standard. Currently, approximately 75,000 units of La Box are in use by our customers, of which approximately 52% were purchased by our existing customers and the remaining 48% by our new customers. Over 65% of our new subscribers have subscribed to our premium packages, including the Power and Power+Family packages. We expect that La Box will also promote the sales of our other premium services. LaBox also includes a number of services, such as OTT cloud support for remote access to content and integrates applications such as Facebook and Twitter. We aim to continue to add new services each quarter to keep our offering relevant and current.

We continue to successfully migrate our subscriber base to multiple-play. Offering bundled services has become increasingly important for media and telecommunications service providers to meet customers' communication and entertainment requirements. Additional convenience and cost savings that result from acquiring television, broadband Internet and telephony services from a single provider for an all-in price is a key driver of consumers' behavior. We believe that we have a clear technological advantage to capture further growth in the market for multiple-play bundles in our network area because we can offer our cable television customer base an attractive combination of interactive digital television, broadband Internet and fixed-line telephony services with unrivalled speeds and flexibility. We constantly adapt our business model to new trends and aim to maintain a technological edge. We believe that our customers recognize these differentiating factors and allow us to hold a significant triple-play market share in our market areas, consisting of cities with populations exceeding 100,000 and persons between the ages of 25 and 49 (approximately 16% in our market areas compared to 5% nationwide). In May 2011, we launched our quadruple-play offering, which has proven very successful. As of June 30, 2012, 942,000 subscribers, or approximately 63% of our total direct digital subscribers, subscribed to one of our multiple-play packages. Our gross-adds ARPU is growing rapidly (from €37.2 for the three months ended December 31, 2010 to €43.4 for the three months ended June 30, 2012). In the three months ended June 30, 2012, our gross-adds ARPU was 5.9% higher than our customer-base ARPU.

Our White Label offering allows us to reach a wider variety of customers and maximize the use of our network. The long-term contract we entered into with Darty in 2008 marked the launch of our White Label services. We sell triple-play package services to Darty, who then resells them under its own brand name to its own customers, over our network. We entered into additional White Label contracts with Auchan in 2008 and Bouygues Telecom in 2009, and as of June 30, 2012 we served approximately 246,000 indirect end-users under all of our White Label contracts. Our White Label offering allows us to maximize the utilization of our network and to benefit from our White Label clients' distribution capabilities and brand recognition, and we are able to add new users to our network at minimal subscriber acquisition costs and under commercial terms generating profitability similar to our direct subscribers. Our White Label business generated €26.8 million of revenues in the year ended December 31, 2010, €53.8 million in the year ended December 31, 2011 and €34.6 million in the six months ended June 30, 2012.

We benefit from strong and stable cash flows, operating leverage, and controlled and scalable costs and capital expenditures. Our large customer base and monthly subscription revenue provide us with significant predictability of future revenue and strong recurring cash flows, which have historically proven to be resilient, even during periods of challenging economic conditions. In addition, as a result of the high level of prior investment in our network, we believe that we can enhance our offerings at a lower cost than our competitors who do not operate a cable network, and that, if necessary, we can effectively limit our capital expenditures over the next several years to the incremental upgrades required by new subscriptions and increased usage, which enables us to maximize return on investment.

For each of the year ended December 31, 2011 and the six months ended June 30, 2012, approximately two-thirds of our capital expenditures were related to maintenance, and one-third was success-based. For the six months ended June 30, 2012, our total revenue was €436.3 million and our EBITDA was €219.5 million, resulting in an EBITDA margin of 50.3% and a cash flow conversion ratio (defined as (EBITDA *minus* capital expenditure)/EBITDA) of 54.2%.

We have a highly experienced management team with a successful track record and we benefit from strong shareholder support. Our management team has a proven track record of developing and implementing our profitable growth strategy. Prior to joining Numericable, members of our management team successfully managed a broad range of telecommunications and technology businesses. For example, Eric Denoyer, our chief executive officer since December 2010, coordinated the acquisition of our predecessors, France Telecom Cable, TDF Cable and NC Numericable by Altice and Cinven Limited ("Cinven") in 2004, served as our managing director from 2005 to 2008 and was appointed head of the wholesale business unit of Completel from 2008 to 2010. Prior to joining our Group, he headed the corporate division of French Internet service provider Tiscali from 2003 to 2004. Thierry Lemaître, our chief financial officer since April 2010, was head of financial control in several France Telecom-Orange divisions, including Orange's Multimedia, Fixed and Mobile Divisions and prior to that, was chief financial officer of Wanadoo. Philippe Le May, our chief technical officer since 2007, has held positions as head of the network architecture division of Neuf/Cegetel and as head of network engineering at Lyonnaise Communication and UPC, two of our predecessors. Jérome Yomtov, our general secretary, previously worked at the French ministry of economy, finance and industry and the ARCEP. We are also supported by our shareholders Altice, The Carlyle Group ("Carlyle") and Cinven, each of which has extensive experience in investing in and developing telecommunications companies.

Our Business Strategy

Maintain sustainable growth by providing new and existing customers with additional products and services, including triple- and quadruple-play products. We believe that our state-of-the-art network provides us with a superior technological infrastructure for delivering high-quality television, higher-speed Internet and superior triple- and quadruple-play services at attractive prices. We plan to further leverage this valuable asset by continuing to introduce innovative and technologically advanced products to our customers at competitive prices, cross- and up-selling triple- and quadruple-play services to our existing customer base, as well as through increasing sales of value-added services, such as VOD and premium packages. We plan to increase our triple- and quadruple-play customer bases by attracting new customers, in particular through our new La Box offering, and to increase our ARPU by up-selling additional services, such as higher-speed broadband Internet or additional HDTV channels.

Deliver additional growth through our White Label offering and public–private partnerships. We intend to capture significant growth from our White Label products, which allow us to maximize the utilization of our network and to benefit from our White Label clients' distribution capabilities and brand recognition, in order to add users to our network under commercial terms generating profitability similar to that of our direct subscribers. Since 2009, we gained more than 173,000 additional residential end-users through our White Label offering, at minimal subscriber acquisition costs. We believe that our White Label offering has been a key component of our growth since 2009, and we intend to continue to explore opportunities to enter into additional White Label contracts. We also intend to bid for public–private partnerships for the deployment of fiber networks on behalf of local authorities, such as DSP 92, our fiber deployment project in the Hauts-de-Seine District.

Continue to lead the market in product innovation. As we have done in the past with the launch of 100 Mbits/s and 200 Mbits/s download speeds in France and our unlimited mobile telephony offer, we will continue to focus on product and service differentiation and innovation. We will continue to enhance our television offering through increasing the quality of our HDTV services and 3D-TV and

the diversity and quality of our content, as well as by developing value-added and interactive services, such as VOD, catch-up television, live television on multiple devices including tablets and smartphones and live betting. We will rely on the higher speeds and capacity of our network to lead the market in the deployment of next-generation products and services in order to differentiate ourselves from our competitors and offer competitive value-for-money packages to our existing and new customers.

Further enhance customer satisfaction and reduce churn through operational excellence. We have launched and implemented anti-churn initiatives aimed at improving our customers' experience. This includes enhanced Customer Relationship Management ("CRM") systems, which allow us to better manage new subscribers, identify subscribers at risk of churning and offer special retention packages to these subscribers. We have also established key performance indicators, which we continuously monitor to assess our operational processes, sales and marketing efficiency, and the reliability of our infrastructure. Our annualized churn rate for residential retail subscribers (excluding the termination of delinquent subscriber accounts) has declined from 18.3% in 2009 to 17.2% in 2010. In December 2011, our annualized churn rate increased slightly to 19.4% primarily due to the cessation of analog terrestrial television transmission and the switch to DTT but returned to 17.9% in June 2012, a level that we expect to be sustainable.

Focus on profitable growth. We are committed to maximizing the return on our network and exploiting profitable growth opportunities. Given the scalability of our operations and our significant historical network investments, including our fiber roll-out, we are in a position to acquire additional customers at limited incremental cost and with high incremental returns. We expect our future capital expenditure to be "success-based", i.e., driven by the acquisition of additional customers as well as based on the improvement of our existing network, such as our FTTB deployment that we can accelerate or slow down depending on market conditions. This gives us more flexibility as to the timing of our future capital expenditure, which is selectively deployed based on revenue expectations, and which we believe will lead to predictable cash flow generation. We also expect to improve our cash flow conversion because we will continue to seek cost efficiencies in order to improve our EBITDA margin and overall profitability. We intend to deleverage both by dedicating our excess cash flow to repaying debt and by increasing our EBITDA.

Carefully evaluate and pursue strategic opportunities. We believe that the French television, broadband Internet and fixed and mobile telephony industries may be subject to further consolidation in the future. We and our shareholders have in the past considered the possibility of making selective acquisitions or other business combinations in order to take advantage of such consolidation and continue to do so. Any such acquisitions or other business combinations, if consummated, may be transformative in nature, and could be material to our operations. However, neither our shareholders nor we are currently party to any agreement regarding any acquisitions or other business combinations and may ultimately decide not to pursue any prospective acquisitions or other business combinations.

Recent Developments

Our expectations regarding operating and financial performance for the three months ended September 30, 2012 are as follows:

- revenues in line with those for the three months ended September 30, 2011;
- EBITDA slightly higher than our EBITDA for the three months ended September 30, 2011;
- slight increase in our customer base compared to June 30, 2012, with higher gross-adds in the "back-to-school" period (mid-August to September) than in 2010 and 2011; and
- successful deployment of La Box, our new set-top box, with approximately 75,000 units sold, split approximately equally among existing customers and new customers.

This information is based on our internal management accounts that are prepared in accordance with French GAAP and are not comparable to or audited consolidated financial statements or our unaudited interim condensed consolidated financial statements included elsewhere in this offering memorandum. It is subject to confirmation in our interim financial statements and quarterly report for the three months ended September 30, 2012.

Our Investors

Our Group is owned 24.06% by funds managed by Altice, 37.47% by funds managed by Carlyle, 37.47% by funds managed by Cinven and 1.00% by Fiberman. Fiberman is an entity controlled by Altice, Carlyle and Cinven and in which our management owns 39.7% of the share capital. Our shareholders also indirectly own shares in Completel, an affiliate company, in the same proportions as their respective shareholdings in our Group. Completel is a wholesale provider of voice, data and Internet-related services to corporate clients, telecommunication operators and public authorities. For further information on Completel, please see "Certain Relationships and Related Party Transactions—Relationships with Completel".

Altice

Altice is a cable and telecommunications investment company headquartered in Luxembourg, founded by Patrick Drahi. Its purpose is to identify opportunities and make acquisitions in the telecommunications industry, and to create value through operational excellence. The company has developed unique expertise in this field since 1994. It consolidated the cable sector in France, and also developed a strong presence in Belgium, Luxembourg, Switzerland, the Caribbean and Israel.

Carlyle

Carlyle is one of the world's largest global alternative asset managers, with approximately U.S.$156 billion of assets under management as of June 30, 2012. As of the same date, Carlyle had 99 active funds and 63 fund of funds vehicles investing in corporate private equity, real assets, global market strategies and fund of funds solutions, and it operates out of 32 offices in 20 countries to uncover opportunities in North America, Europe (including France), Asia, Australia, the Middle East, Africa and South America. Since its founding in 1987, Carlyle has invested U.S.$49.4 billion in 430 corporate private equity transactions. Carlyle has extensive experience in the telecommunications and media industry, which makes up 19% of the corporate private equity investments Carlyle has made globally, and in the cable industry, with investments in Com Hem (Sweden), Casema (now part of Ziggo, Holland), Telecable (Spain), Insight Communications (United States) and kbro Co. (Taiwan).

Cinven

Cinven is a leading private equity provider for large European buyouts, having led transactions totaling in excess of €65 billion. Since 1996, Cinven has completed 40 buyouts with an enterprise value of more than €500 million in eight countries across Europe. Cinven focuses on six sectors across Europe: business services; consumer; financial services; healthcare; industrials; and telecommunications, media and transportation, and has offices in London, Frankfurt, Milan, Paris and Hong Kong. Cinven has extensive experience in the cable and satellite industry as demonstrated by its investments in Ziggo (a leading Dutch cable operator) and in Eutelsat.

The Refinancing

The proceeds from the Offering will be used by the Issuer to fund on the Loan Funding Date a sub-participation in the Additional C2 Facility Loan, which will be made on the Loan Funding Date by the Lending Bank to Ypso France, and to subsequently acquire a direct participation in the Additional

C2 Facility Loan. Ypso France will use the net proceeds from the Additional C2 Facility Loan to repay €400 million of debt outstanding under the Bank Facilities. Please see "Use of Proceeds" and "Description of Other Indebtedness—Senior Facility Agreement".

Brief Description of the Issuer and the Structure of the Offering

The Issuer was established on January 31, 2012 as an unregulated securitization company in the form of a corporate partnership limited by shares (*société en commandite par actions*) under the laws of Luxembourg and the Luxembourg Act of March 22, 2004 on securitization, as amended. The issued share capital of the Issuer is €31,000 divided into 30,999 ordinary shares (*actions de commanditaire*) and one management share (*action de commandité*) of €1 each. All of the issued shares of the Issuer are fully paid. The ordinary shares are held by Stichting Ypso 2 (the "Limited Partner") and Numericable Finance S.à r.l. (the "General Partner"), and the management share is held by the General Partner. On February 14, 2012, the ordinary shares of the Issuer held by the Limited Partner and the shares of the General Partner, all of which are held by Stichting Ypso 1, were pledged under a first-ranking pledge in favor of Citibank, N.A., London Branch, as security agent for the Existing Notes, as part of the Shared Note Collateral. Pursuant to the Collateral Sharing Agreement, the Existing Notes, the Notes and any Additional Issuer Debt will benefit from the Shared Note Collateral on a *pari passu* basis. The registered office of the Issuer is located at 13-15 Avenue de la Liberté, L-1931 Luxembourg.

The Issuer is an independent, stand-alone special purpose vehicle whose principal purpose is to issue notes, such as the Existing Notes and the Notes, and to acquire, with the proceeds therefrom, loans made to Ypso France, such as the Additional C1 Facility Loan and the Additional C2 Facility Loan. The Issuer is not affiliated with Ypso France and does not belong to the Group. The Issuer has not conducted any operations or incurred any material liabilities since its inception (other than in connection with the offering of the Existing Notes and the acquisition of the Additional C1 Facility Loan), has no subsidiaries and has no significant business other than the issuance of debt securities and compliance with its obligations under the Existing Indenture and the Additional C1 Facility Loan. Upon completion of the Offering, the Issuer will not have any income other than the amounts received under the Additional C1 Facility Loan and the Additional C2 Facility Loan, its only material assets available to meet the claims of the holders of the Existing Notes and the Notes, respectively. Consequently, the Issuer's ability to service the Notes will be dependent on payments received from Ypso France under the Additional C2 Facility Loan. Please see "Risk Factors—Risks Relating to the Notes and the Additional C2 Facility Loan—The Issuer is an unaffiliated special purpose vehicle with no assets other than its interest in the Additional C1 Facility Loan and the Additional C2 Facility Loan and cash in its bank accounts to meet its obligations under the Existing Notes and the Notes, respectively".

Any discount, fees, costs, expenses or similar amounts (including taxes, if any) incurred by the Issuer in relation to the Offering will be charged by the Issuer to Ypso France as fees under the Fee Agreement. For more information, please see "The Issuer".

Although the Issuer is a lender under the Additional C1 Facility Loan and will become on the Loan Acquisition Date a lender under the Additional C2 Facility Loan, pursuant to the Additional C1 Facility Voting Undertaking and the Additional C2 Facility Voting Undertaking (which will be executed on or prior to the Issuer's acquisition of the Additional C2 Facility Loan), the Issuer will effectively in most circumstances give up the right to vote on many matters requiring the vote of lenders under the Senior Facility Agreement. Please see "Risk Factors—Risks Relating to the Notes and the Additional C2 Facility Loan—The holders do not have any direct voting rights under the Senior Facility Agreement with respect to the Additional C2 Facility Loan and the voting rights of the Issuer under the Senior Facility Agreement are limited pursuant to the Additional C1 Facility Voting Undertaking and the Additional C2 Facility Voting Undertaking". As a result, the holders of the Notes will not benefit, directly or indirectly, from many of the rights and protections afforded to the other lenders

under the Senior Facility Agreement, including the financial maintenance, information, affirmative and restrictive covenants in the Senior Facility Agreement. The holders of the Notes will indirectly benefit from the payment obligations of Ypso France in respect of the Additional C2 Facility Loan, the Senior Facility Collateral securing such obligations and certain other limited indirect benefits, rights and protections. See "Description of the Notes—Additional C Facility and the Senior Facility Agreement—Voting Rights under the Senior Facility Agreement".

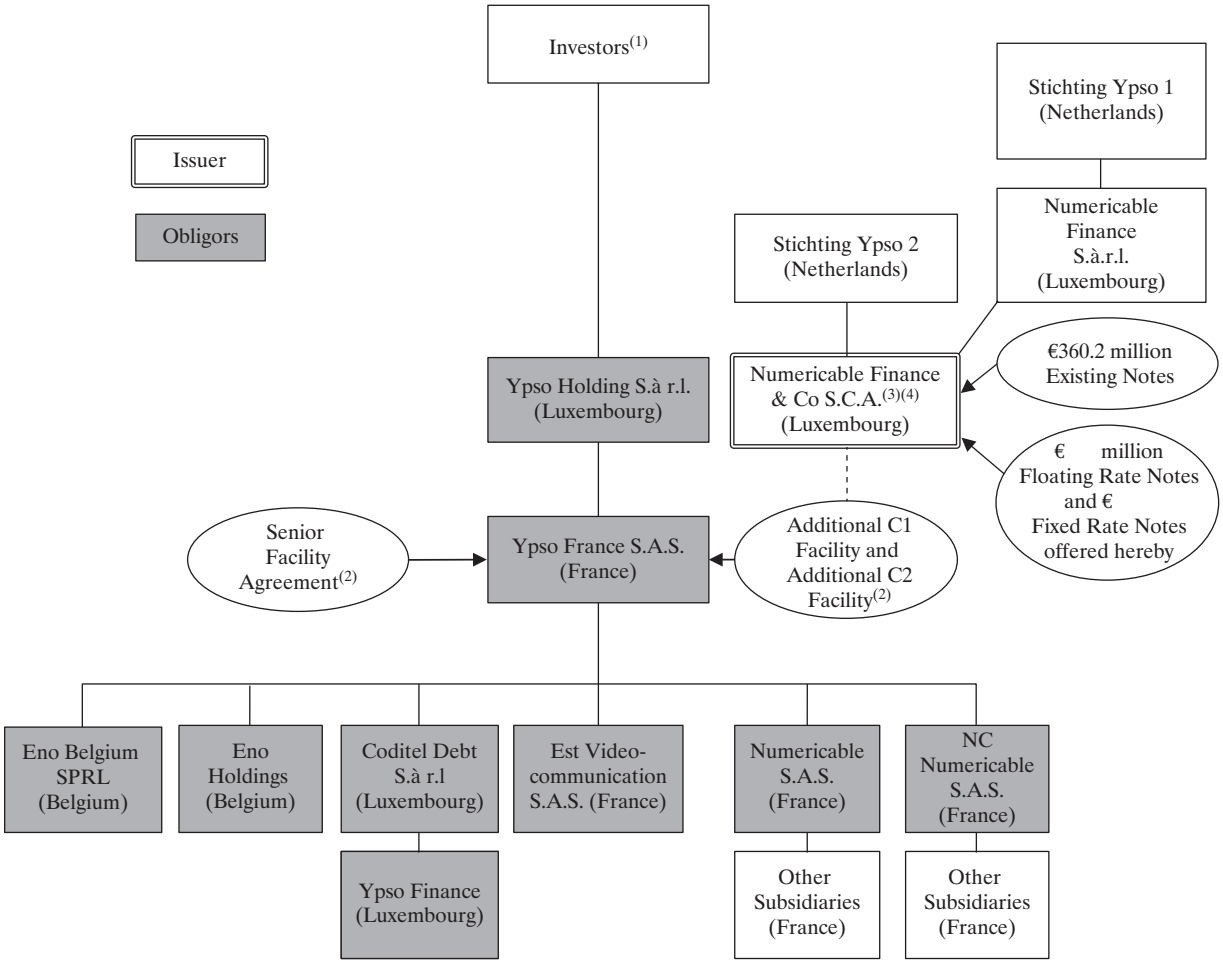
The holders of the Notes, however, will benefit from the Obligors' obligations under the Covenant Agreement, pursuant to which the Obligors party thereto will agree to comply with the covenants in the Indenture that are applicable to them, other than, for the avoidance of doubt, any payment obligations under the Indenture or the Notes. The rights and remedies of the holders of the Notes vis-à-vis the Obligors upon any breach by the Obligors of their obligations under the Covenant Agreement are limited to a right to instruct the Issuer or the Notes Security Agent or any nominee thereof, following the acceleration of the Notes, to accelerate the Additional C2 Facility Loan in accordance with the terms of the Senior Facility Agreement (subject to the mandatory provisions of articles L.620.1 to L.644-6 of the French Code de Commerce) and to vote, in accordance with the terms of the Additional C2 Facility Voting Undertaking, in connection with any enforcement of the Senior Facility Collateral. See "Description of the Notes—Covenant Agreement" and "Description of the Notes—Additional C Facility and the Senior Facility Agreement".

The terms of the Senior Facility Agreement provide that, at any time a payment is due under the Indenture or the Notes, including the principal of, or premium or interest (including at maturity, upon an optional redemption or in connection with an offer to purchase), Ypso France will make corresponding payments under the Additional C2 Facility Loan to enable the Issuer to make payments under the Indenture or the Notes, subject to the other terms of the Senior Facility Agreement and the Intercreditor Agreement. If the Notes are accelerated, this flow-through mechanism requires the Issuer or, following enforcement of the Receivables Assignment, the Notes Security Agent to accelerate the Additional C2 Facility Loan, as applicable. Please see "Description of the Notes—Additional C Facility and the Senior Facility Agreement".

Ypso France, which is wholly owned by Ypso Holding, is a *société par actions simplifiée* organized under the laws of France. Ypso France's registered office is located at 10 rue Albert Einstein, 77420 Champs-sur-Marne, France, and its telephone number is +33 (1) 7000 7007.

Corporate and Financing Structure

The chart below depicts a summary of the Group's corporate and financing structure after giving effect to the Offering, the acquisition of the Additional C2 Facility Loan on the Loan Acquisition Date and the Refinancing. For further information, please see "Use of Proceeds", "Capitalization" and "Major Shareholders". For a summary of the material financing arrangements identified in this diagram, please see "Description of Other Indebtedness" and "Description of the Notes".



(1) Includes Altice, Carlyle, Cinven and Fiberman. Please see "Major Shareholders". Fiberman is an entity controlled by Altice, Carlyle and Cinven and in which our management owns 39.73% of the share capital. Altice, Carlyle and Cinven have extended subordinated shareholder loans to Ypso Holding in an outstanding principal amount (excluding accrued uncapitalized interest) of €47.6 million as of December 31, 2011. For a further description of the subordinated shareholder loans, please see "Description of Other Indebtedness—Shareholder Financing".

(2) As of June 30, 2012, as adjusted to give effect to the issuance of the Notes and the use of the proceeds therefrom, including the Refinancing, we would have had €2,379.0 million borrowings outstanding under the Senior Facility Agreement (including accrued cash interest payable and commitment fees) and €65 million undrawn availability under the Additional Revolving Facility. Borrowings by Ypso France and the other borrowers under the Senior Facility Agreement, including the Additional C1 Facility Loan and the Additional C2 Facility Loan, are senior obligations of Ypso France or such other borrowers, are guaranteed (subject to the guarantee limitations included in the Senior Facility Agreement) by the Obligors and such borrowings and guarantees are secured by pledges over the shares of each Obligor (other than Ypso Holding), pledges over business as a going concern (*gage sur fonds de commerce*) over certain movable assets of each of our three operating companies (Est Videocommunication S.A.S., NC Numericable S.A.S. and Numericable S.A.S.) and pledges over substantially all of the Obligors' bank accounts, intercompany receivables and intellectual property rights. The network

assets of the Group are not pledged as security for the Senior Facility Agreement. Please see "Description of the Notes—Senior Facility Collateral". As of and for the year ended December 31, 2011, the Obligors generated 99% of our consolidated revenue and 100% of our consolidated EBITDA and held 99% of our consolidated total assets.

(3) The Issuer will use the proceeds from the Offering to fund on the Loan Funding Date a sub-participation in the Additional C2 Facility Loan, which will be made by the Lending Bank to Ypso France under the Senior Facility Agreement, and to acquire on the Loan Acquisition Date a direct participation in the Additional C2 Facility Loan, pursuant to the Sub-Participation Agreement. The Notes will be senior obligations of the Issuer and secured by a first-ranking pledge over the Issuer's ordinary shares held by the Limited Partner, a first-ranking pledge over the shares of the General Partner, a first-ranking pledge over all bank accounts of the Issuer (together, the "Shared Note Collateral") and a first-ranking assignment over the Issuer's receivables under the Additional C2 Facility Loan, including the benefit of any Senior Facility Collateral and the Senior Facility Guarantees securing the same. Pursuant to the Collateral Sharing Agreement, the Existing Notes, the Notes and any Additional Issuer Debt will benefit from the Shared Note Collateral on a *pari passu* basis.

(4) The Issuer was established on January 31, 2012, as an unregulated securitization company in the form of a corporate partnership limited by shares (*société en commandite par actions*) under the laws of Luxembourg. The issued share capital of the Issuer is divided into (i) ordinary shares (*actions de commanditaire*) held by the Limited Partner and the General Partner and (ii) one management share (*action de commandité*) held by the General Partner. The shares of the General Partner are held by Stichting Ypso 1.

The Offering

The following summary of the Offering contains basic information about the Additional C2 Facility Loan. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete description of the terms of the Notes, including certain definitions of terms used in this summary, please see "Description of the Notes".

Issuer	Numericable Finance & Co. S.C.A.
Notes Offered	€225.0 million aggregate principal amount of 8¾% Senior Secured Notes due 2019; and €275.0 million aggregate principal amount of Senior Secured Floating Rate Notes due 2018.
Maturity Date	Fixed Rate Notes: February 15, 2019. Floating Rate Notes: October 15, 2018.
Interest Rate	Interest on the Notes will be payable in cash. Interest on the Fixed Rate Notes will accrue at a rate of 8¾% per annum. Interest on the Floating Rate Notes will accrue at a rate equal to three-month EURIBOR *plus* 7.875% per annum, reset two business days before the beginning of each interest period.
Interest Payment Dates	Interest is payable on the Fixed Rate Notes semiannually in arrears on each February 15 and August 15, commencing on February 15, 2013. Interest is payable on the Floating Rate Notes quarterly in arrears on each January 15, April 15, July 15 and October 15, commencing on January 15, 2013. Interest on the Notes will accrue from the Issue Date.
Additional C2 Facility Loan	On the Issue Date, the Lending Bank will advance the Additional C2 Facility Loan (which includes the C2 Loan Tranche A and the C2 Loan Tranche B) to Ypso France. The C2 Loan Tranche A will initially have a principal amount equal to the aggregate principal amount of the Fixed Rate Notes and will be made under the Senior Facility Agreement. The maturity date of the C2 Loan Tranche A will be the same as the maturity date of the Fixed Rate Notes. The C2 Loan Tranche B will initially have a principal amount equal to the aggregate principal amount of the Floating Rate Notes and will be made under the Senior Facility Agreement. The maturity date of the C2 Loan Tranche B will be the same as the maturity date of the Floating Rate Notes. The Issuer will acquire the Additional C2 Facility Loan from the Lending Bank on the Loan Acquisition Date in accordance with the terms of the Sub-Participation Agreement.
Sub-Participation in the Additional C2 Facility Loan	Prior to the Issue Date, the Issuer and the Lending Bank will enter into the Sub-Participation Agreement pursuant to which the Issuer will use the proceeds from the offering of the Notes to fund a sub-participation in the Additional C2 Facility Loan made by the Lending Bank to Ypso France (in a principal amount equal to such loan's principal amount). Under the

	terms of the Sub-Participation Agreement, the Lending Bank will grant the Issuer the right to acquire the Additional C2 Facility Loan at any time after which the Additional C2 Facility Loan is made, and the Issuer will grant the right to the Lending Bank to transfer the Additional C2 Facility Loan to the Issuer at any time after which the Additional C2 Facility Loan is made. The consideration for the transfer of the Additional C2 Facility Loan from the Lending Bank to the Issuer will be satisfied in full by the set off of the amount used by the Issuer to fund the sub-participation in the Additional C2 Facility Loan.
Ranking of the Notes	The Notes: • will be general obligations of the Issuer; • will be *pari passu* in right of payment with all existing and future indebtedness of the Issuer; • will be secured directly by the Note Collateral, including a first-priority assignment of the Issuer's rights under the Additional C2 Facility Loan; • will benefit indirectly from the Senior Facility Collateral and the Senior Facility Guarantees; • will be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness.
Note Collateral	The Notes will be secured by a first-ranking pledge over the ordinary shares of the Issuer held by the Limited Partner, a first-ranking pledge over the shares of the General Partner and a first-ranking pledge over all bank accounts of the Issuer (together, the "Shared Note Collateral"), and a first-ranking assignment over the Issuer's receivables under the Additional C2 Facility Loan, including the benefit of any Senior Facility Collateral and Senior Facility Guarantees securing the same. Pursuant to the Collateral Sharing Agreement, the Existing Notes, the Notes and any Additional Issuer Debt will benefit from the Shared Note Collateral. Please see "Description of the Notes—Note Collateral".
Ranking of the Additional C2 Facility Loan	The Additional C2 Facility Loan: • will be a general obligation of Ypso France; • will be guaranteed by the Senior Facility Guarantors (subject to the guarantee limitations included in the Senior Facility Agreement); • will be secured by liens over the Senior Facility Collateral (subject to the guarantee limitations included in the Senior Facility Agreement) and share ratably with the Bank

	Facilities lenders, the Issuer in its capacity as lender of the Additional C1 Facility Loan the Additional C2 Facility Loan and any Additional Issuer Debt the proceeds from enforcement of the liens granted in favor of such lenders over the Senior Facility Collateral, subject to limitations set forth in the Intercreditor Agreement; • will be effectively subordinated to any existing and future indebtedness of Ypso France that is secured by property or assets that do not secure the Additional C Facility, to the extent of the value of the property and assets securing such indebtedness; • will be *pari passu* in right of payment with all existing and future indebtedness of Ypso France that is not subordinated in right of payment to the Additional C Facility; • will be senior in right of payment to all existing and future indebtedness of Ypso France that is subordinated in right of payment to the Additional C Facility; and • will be effectively subordinated to all obligations of Ypso France's subsidiaries that are not Senior Facility Guarantors (or to the extent the guarantee limitations included in the Senior Facility Agreement apply).
Additional C2 Facility Loan Funding Date	The date on which the Additional C2 Facility Loan will be advanced (the "Loan Funding Date") is expected to be the date after the Issue Date. Interest on the Notes will accrue from the Issue Date and interest on the Additional C2 Facility Loan will accrue from the Loan Funding Date. In connection with the funding of the Additional C2 Facility Loan, Ypso France will pay a fee equal to the amount of overnight interest on the Notes accrued as of October 26, 2012 to enable the Issuer to pay on the first interest payment date for the Notes, together with the interest that will be payable on that date under the Additional C2 Facility Loan, the full amount of interest due on the Notes on that interest payment date.
Ranking of the Senior Facility Guarantees	The Senior Facility Guarantee of each Senior Facility Guarantor: • will be a general obligation of such Senior Facility Guarantor; • will be secured by first-ranking and, in some cases, additional lower-ranking liens over the Senior Facility Collateral owned by such Senior Facility Guarantor; • will be effectively subordinated to any existing and future indebtedness of such Senior Facility Guarantor that is secured by property or assets that do not secure such Senior

	Facility Guarantee, to the extent of the value of the property and assets securing such indebtedness; • will be *pari passu* in right of payment with all existing and future indebtedness of such Senior Facility Guarantor that is not subordinated in right of payment to such Senior Facility Guarantee; and • will be senior in right of payment to all existing and future indebtedness of such Senior Facility Guarantor that is subordinated in right of payment to such Senior Facility Guarantee. The Senior Facility Guarantees are subject to the limitations included in the Senior Facility Agreement.
Senior Facility Collateral	The obligations of the Obligors under the Senior Facility Agreement, including the Additional C2 Facility Loan, are secured by first-ranking and, in some cases, lower-ranking liens over (subject to the guarantee limitations included in the Senior Facility Agreement) (i) the shares of each Obligor (other than Ypso Holding), (ii) the business (*fonds de commerce*) of the Group's three operating companies (Est Videocommunication S.A.S., NC Numericable S.A.S. and Numericable S.A.S.) and (iii) substantially all of the Obligors' bank accounts, intercompany receivables and intellectual property rights. The network assets of the Group are not pledged as security for the Senior Facility Agreement. Subject to limitations set forth in the Intercreditor Agreement, the lenders under the Senior Facility Agreement including the Issuer, will share equally in respect of any recoveries from the Senior Facility Collateral unless the payment of any such recoveries to a creditor would be prohibited by certain restrictions under applicable law, including restrictions on financial assistance.
Intercreditor Agreement	The Intercreditor Agreement establishes the relative rights, and the relative payment priorities, of among others, lenders under the Senior Facility Agreement and certain hedging counterparties.
Voting Rights and Enforcement Actions under the Additional C1 Facility Loan and the Additional C2 Facility Loan	Although the Issuer will assign its receivables under the Additional C2 Facility Loan to the Notes Security Agent, to secure its obligations under the Notes, holders will not have a direct claim against Ypso France or the other Obligors under the Additional C2 Facility Loan. Events of default under the Indenture constitute events of default under the Covenant Agreement. Upon an event of default under the Indenture or the Covenant Agreement, holders representing at least 25% of the aggregate principal

amount of the Notes outstanding may vote to accelerate the Notes and, following such acceleration, instruct the Issuer to accelerate the Additional C2 Facility Loan. The Bank Facilities may be accelerated by a vote of more than 66⅔% of the lenders thereunder.

Following enforcement through the Notes Security Agent of the holders' rights under the security documents relating to the Note Collateral, holders representing at least a majority of the aggregate principal amount of the Notes outstanding may direct the Notes Security Agent, in accordance with the terms of the Indenture, to enforce the Issuer's rights under the Senior Facility Agreement to accelerate or place on demand the Additional C2 Facility Loan (subject to the mandatory provisions of articles L.620-1 to L.644-6 of the French Code de Commerce) or to claim under any Senior Facility Guarantee, *provided* that the Notes have been accelerated. An enforcement action with respect to the enforcement of security under the Senior Facility Agreement requires a vote of the Majority Senior Creditors, defined as lenders and hedge counterparties holding more than 66⅔% of the total commitments under the Senior Facility Agreement and hedging exposures, respectively. However, if the total commitments under the Additional C Facility (including the Additional C1 Facility Loan, the Additional C2 Facility Loan and all future term loan tranches under the Additional C Facility) represents at the time of the vote, more than 40% but not more than 66⅔% of the total commitments under the Senior Facility Agreement, then the lenders under the Additional C Facility (including the Issuer in its capacity as lender under the Additional C1 Facility Loan and the Additional C2 Facility Loan) will be entitled to a maximum vote of 40% as a lender under the Senior Facility Agreement. The remaining voting rights corresponding to the Additional C Facility and exceeding 40% will be deemed to vote alongside the votes cast by the lenders under the Bank Facilities in a proportion identical to such lenders' split of votes.

At any time that the Issuer votes (and such vote is not deemed to be a vote cast by the lenders under the Bank Facilities), such vote will be split to reflect the proportion of the holders of Existing Notes, the Notes and any Additional Issuer Debt consenting and not consenting upon a solicitation of votes or consents. Holders who do not vote or who do not accept or reject a consent request in response to such a solicitation within the applicable consent period or who formally abstain from voting or accepting or rejecting a consent request will be deemed to not have the right to vote. Please see "Description of the Notes—Voting Rights under the Senior Facility Agreement".

Denominations	The Notes will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.
Mandatory Redemption of the Notes .	In the event the Loan Funding Date does not occur on or before October 26, 2012, the Issuer will be required to redeem the Notes at a price equal to 100% of the initial offering price of the Notes (expressed as a percentage), plus accrued interest on the Notes to the date of redemption. The date of redemption will be no later than October 31, 2012. Ypso France has agreed to pay to the Issuer a fee equal to the accrued interest that might be payable on the Notes from October 25, 2012 until the redemption date in the case of any such mandatory redemption.
Optional Redemption	Ypso France may instruct the Issuer to redeem all or part of the Fixed Rate Notes on or after February 15, 2016 at the redemption prices described under "Description of the Notes—Optional Redemption" and all or part of the Floating Rate Notes on or after October 15, 2013 at the redemption prices described under "Description of the Notes—Optional Redemption". Prior to February 15, 2016 (in the case of the Fixed Rate Notes) and October 15, 2013 (in the case of the Floating Rate Notes), Ypso France may instruct the Issuer to redeem all or part of such Notes by paying a "make whole" premium as described under "Description of the Notes—Optional Redemption". Prior to February 15, 2015, Ypso France may instruct the Issuer to, on one or more occasions, use the net proceeds of specified equity offerings to redeem up to 35% of the aggregate principal amount of the Fixed Rate Notes at a redemption price equal to 108.75% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, *provided* that at least 65% of the originally issued aggregate principal amount of the Fixed Rate Notes remains outstanding after the redemption.
Change of Control	If the Issuer or Ypso France experiences a change of control, the Issuer will be required to offer to repurchase the Notes at 101% of their aggregate principal amount plus accrued and unpaid interest to the date of such repurchase. Please see "Description of the Notes—Repurchase at the Option of Holders—Change of Control".
Redemption for Taxation Reasons . . .	If certain changes in the law of any relevant taxing jurisdiction after the issuance of the Notes would impose withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. Please see

	"Description of the Notes—Redemption for Changes in Taxes".
Additional Amounts	Any payments made with respect to the Notes will be made without withholding or deduction for taxes in any relevant taxing jurisdiction unless required by law. If withholding or deduction for such taxes is required to be made with respect to a payment under the Notes, subject to certain exceptions, we will pay the additional amounts necessary so that the net amount received by the holders of Notes after the withholding is not less than the amount that they would have received in the absence of the withholding. Please see "Description of the Notes—Additional Amounts".
Covenant Agreement and Indenture . .	Pursuant to the Covenant Agreement between, among others, the Issuer, the Obligors and the Trustee, Ypso France and the other Obligors will agree to abide by certain covenants in the Indenture, which will, among other things, limit the ability of the Obligors to: • incur or guarantee additional indebtedness and issue certain preferred stock; • pay dividends, redeem capital stock and make certain investments; • make certain other restricted payments; • make certain asset sales; • create or permit to exist certain liens; • impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us; • merge or consolidate with other entities; • enter into certain transactions with affiliates; • impair the security interests for the benefit of the holders of the relevant Notes; and • amend the Senior Facility Agreement.
Transfer Restrictions	The Notes have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transfer and may only be offered or sold in the United States in compliance with Rule 144A under the U.S. Securities Act and outside the United States in reliance on Regulation S under the U.S. Securities Act. Please see "Notice to Investors" and "Plan of Distribution".
Use of Proceeds	The Issuer will use the proceeds from the Offering to fund on the Loan Funding Date a sub-participation in the Additional C2 Facility Loan made on the Loan Funding Date by the Lending Bank to Ypso France, and to acquire the Additional C2 Facility Loan from the Lending Bank on the Loan

	Acquisition Date. Ypso France will use the net proceeds from the Additional C2 Facility Loan to refinance €400 million of debt outstanding under the Bank Facilities. Please see "Use of Proceeds".
No Established Market for the Notes	The Notes will be new securities for which there is currently no market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing and Trading	Application will be made to list the Notes on the Official List of the Irish Stock Exchange and to trade the Notes on the Irish Stock Exchange's Global Exchange Market.
Notes Security Agent	Citibank, N.A., London Branch.
Trustee	Citibank, N.A., London Branch.
Paying Agent	Citibank, N.A., London Branch.
Registrar	Citigroup Global Markets Deutschland AG.
Calculation Agent for the Floating Rate Notes	Citibank, N.A., London Branch.
Irish Listing Agent	Dillon Eustace Solicitors.
Governing Law of the Notes and the Indenture	New York.
Governing Law of the Covenant Agreement	New York.
Governing Law of the Sub-Participation Agreement	England and Wales.
Governing Law of the Note Collateral	The pledge over the ordinary shares of the Issuer held by the Limited Partner, the pledge over the shares of the General Partner and the pledge over all bank accounts of the Issuer are governed by Luxembourg law. The first-ranking assignment by way of security of the Issuer's rights in, and benefits under, the Sub-Participation Agreement and the first-ranking assignment over the Issuer's receivables under the Additional C2 Facility Loan will be governed by English law.
Risk Factors	Investing in the Notes involves substantial risks. You should consider carefully all the information in this offering memorandum and, in particular, you should evaluate the specific risk factors set forth in the "Risk Factors" section in this offering memorandum before making a decision whether to invest in the Notes.

SUMMARY FINANCIAL INFORMATION AND OTHER DATA

The following tables present our summary financial information and other data as of and for the periods ended on the dates indicated below.

Our summary financial information as of and for the years ended December 31, 2009, 2010 and 2011 has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2009, 2010 and 2011 included elsewhere in this offering memorandum. Such financial information was prepared in accordance with IFRS and was audited by Deloitte & Associés, independent auditors.

Our summary financial information as of and for the six months ended June 30, 2011 and 2012 has been derived from our unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2011 and 2012 prepared in accordance with IAS 34 "Interim Financial Information", the IFRS standard applicable to interim reporting and included elsewhere in this offering memorandum. It has not been audited.

Our summary financial information for the twelve months ended June 30, 2012 has been derived by adding our summary financial information for the year ended December 31, 2011 to our summary financial information for the six months ended June 30, 2012 and subtracting our summary financial information for the six months ended September 30, 2011. Our summary financial information for the twelve months ended June 30, 2012 has been prepared for illustrative purposes only and is not necessarily representative of our results for any future period or our financial condition at any such date. Such compilation has not been audited.

The following table should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the related notes thereof as of and for the years ended December 31, 2009, 2010 and 2011 and our unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2011 and 2012 included elsewhere in this offering memorandum. The table should also be read together with "Operating and Financial Review and Prospects". Our historical results do not necessarily indicate results that may be expected in the future.

	Year ended December 31,			Six months ended June 30,		Twelve months ended June 30,
	2009	2010	2011	2011	2012	2012
					(Unaudited)	
			(in € thousands)			
Income Statement:						
Revenue by business line						
Digital	668,327	665,380	660,383	335,822	325,188	649,749
White Label	9,066	26,797	53,803	22,591	34,662	65,874
Analog	91,788	69,527	51,139	28,229	19,550	42,460
Bulk	79,508	75,100	69,964	35,176	35,668	70,456
Wholesale	8,120	10,616	29,837	7,384	21,255	43,708
Revenue	**856,809**	**847,420**	**865,126**	**429,202**	**436,323**	**872,247**
Purchases and subcontracting services	(181,080)	(184,230)	(190,348)	(89,316)	(93,609)	(194,641)
Staff costs and employee benefits expense	(72,964)	(76,440)	(75,042)	(37,145)	(37,490)	(75,387)
Taxes and duties	(28,190)	(21,764)	(19,603)	(9,515)	(10,173)	(20,261)
Provisions	(10,675)	(16,713)	(5,252)	(6,149)	(241)	656
Other operating income	26,898	46,641	60,189	38,275	32,962	54,876
Other operating expenses	(166,930)	(189,337)	(209,737)	(98,579)	(108,261)	(219,419)
EBITDA	**423,868**	**405,577**	**425,333**	**226,774**	**219,511**	**418,070**
Depreciation and amortization	(228,772)	(225,916)	(205,527)	(98,984)	(97,239)	(203,782)
Operating income	**195,094**	**179,661**	**219,806**	**127,790**	**122,273**	**214,289**
Financial income	74,144	528	791	385	1,275	1,681
Interest relative to gross financial debt	(192,354)	(150,143)	(151,191)	(76,702)	(84,513)	(159,002)
Financial expense	(19,649)	(972)	(5,532)	(1,519)	(13,120)	(17,133)
Finance costs, net	**(137,859)**	**(150,587)**	**(155,933)**	**(77,836)**	**(96,357)**	**(174,454)**
Income tax expense	(7,974)	(3,839)	(10,943)	1	—	(10,942)
Share in net income (loss) of equity affiliates	190	368	(310)	(123)	(93)	(280)
Net income (loss) from ongoing activities	**49,451**	**25,603**	**52,621**	**49,831**	**25,822**	**28,612**
Net income from discontinued operations/assets held for sale	15,519	31,237	126,060	128,842	—	(2,782)
Net income (loss)	**64,971**	**56,840**	**178,681**	**178,673**	**25,822**	**25,830**
Attributable to equity holders of the Group	65,056	57,081	178,482	178,410	25,758	25,830
Attributable to non-controlling interests	(85)	(241)	199	263	64	—

	As of December 31,			As of June 30,
	2009	2010	2011	2012
				(Unaudited)
	(in € thousands)			
Balance Sheet Data:				
Goodwill	1,194,728	984,533	984,534	984,581
Other intangible assets	320,045	352,122	304,669	278,821
Property, plant and equipment	1,168,774	1,038,930	1,082,105	1,119,615
Share in net assets of equity affiliates	3,969	3,886	3,577	3,483
Other non-current financial assets	6,139	4,712	5,083	4,755
Non-current assets	**2,693,655**	**2,384,183**	**2,379,967**	**2,391,256**
Cash and cash equivalents	30,695	14,713	34,485	4,197
Other current assets	400,188	260,908	298,267	342,806
Total assets	**3,124,538**	**2,930,358**	**2,712,719**	**2,738,259**
Total equity	**(759,069)**	**(702,679)**	**(536,604)**	**(510,740)**
Non-current portion of financial liabilities	3,030,850	2,683,009	2,463,738	2,533,382
Non-current provision	42,141	44,350	58,460	59,525
Other non-current liabilities	46,959	71,252	73,570	76,086
Non-current liabilities	**3,119,950**	**2,798,611**	**2,595,768**	**2,668,993**
Current portion of financial liabilities	142,613	183,227	163,149	83,821
Trade payables and other current liabilities	619,929	439,005	484,400	495,510
Current liabilities	**763,657**	**622,996**	**653,555**	**580,005**
Total equity and liabilities	**3,124,538**	**2,930,358**	**2,712,719**	**2,738,259**

	Year ended December 31,			Six months ended June 30,		Twelve months ended June 30,
	2009	2010	2011	2011	2012	2012
					(Unaudited)	
	(in € thousands)					
Cash Flow Data:						
Net cash provided (used) by operating activities before changes in working capital, finance costs and income tax	290,665	217,267	257,371	131,730	120,303	245,944
Net cash provided (used) by operating activities	473,195	414,627	435,551	238,233	175,829	373,147
Net cash provided (used) by investing activities	(364,818)	(174,279)	(173,032)	(86,778)	(95,591)	(181,845)
Net cash provided (used) by financing activities	(122,360)	(267,871)	(402,660)	(263,132)	(110,527)	(250,055)

	As of and for the year ended December 31,			As of and for the six months ended June 30,		Twelve months ended June 30,
	2009	2010	2011	2011	2012	2012
					(Unaudited)	
	(in € thousands, except ratios and percentages)					
Other Financial Data:						
EBITDA[1]	423,868	405,577	425,333	226,774	219,511	418,070
Adjusted EBITDA[2]			435,535	223,439	229,736	441,832
Capital expenditures[3]	189,714	189,957	185,507	93,025	100,592	207,109
Total financial debt[4]	2,887,746	2,620,444	2,381,172		2,374,788	2,374,788
Net financial debt[5]	2,857,051	2,602,076	2,346,687		2,370,591	2,370,591
Last two quarters annualized adjusted EBITDA[6]						459,472
Pro forma net finance costs[7]						196,847
Pro forma cash and cash equivalents[8]						4,197
Pro forma total financial debt[9]						2,384,788
Pro forma net financial debt[10]						2,380,591
Ratio of last two quarters annualized adjusted EBITDA to pro forma net finance costs[6][7]						2.3x
Ratio of pro forma net financial debt to last two quarters annualized adjusted EBITDA[6][10][11]						5.2x
Adjusted EBITDA margin				52.1%	52.7%	50.1%
(Adjusted EBITDA—capital expenditure) margin				33.7%	29.6%	26.9%

	As of and for the year ended December 31,			As of and for the six months ended June 30,
	2009	2010	2011	2012
	(Unaudited) (in thousands except percentages and ARPU)			
Operating Data:				
Footprint[12]				
Homes connected	9,758	9,798	9,833	9,853
Triple-play enabled	8,240	8,299	8,368	8,402
Docsis 3.0 enabled and FTTB upgraded	3,513	4,171	4,285	4,569
Digital individual subscribers	1,267	1,275	1,238	1,218
Multiple-play	850	917	938	942
Stand-alone television	356	313	267	242
Other	61	44	34	34
White Label end-users	57	103	206	246
Total digital individual users	**1,324**	**1,378**	**1,444**	**1,464**
Analog television individual subscribers	263	195	133	117
Total individual users	**1,587**	**1,573**	**1,577**	**1,581**
Bulk subscribers	1,813	1,848	1,837	1,839
Churn—Individual subscribers	18.3%	17.2%	19.4%	17.9%
Stand-alone digital television	15.3%	14.9%	17.1%	18.5%
Analog television	13.7%	18.4%	25.2%	16.9%
Triple-play	21.4%	16.9%	18.1%	17.7%
ARPU per month—Digital individual subscribers[13]		€38.9	€40.3	€40.7

(1) EBITDA represents operating income before depreciation and amortization. Although EBITDA should not be considered a substitute measure for operating income and net cash provided by operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements. The EBITDA measure presented may not be comparable to similarly titled measures used by other companies. The following table provides a reconciliation of EBITDA to operating income.

	Year ended December 31,			Six months ended June 30,		Twelve months ended June 30,
	2009	2010	2011	2011	2012	2012
					(Unaudited)	
			(in € thousands)			
Operating income	195,094	179,661	219,806	127,790	122,273	214,289
Depreciation and amortization	228,772	225,916	205,527	98,984	97,238	203,781
EBITDA	**423,868**	**405,577**	**425,333**	**226,774**	**219,511**	**418,070**

(2) The reconciliation of our Adjusted EBITDA to our EBITDA is as follows:

	As of and for the year ended December 31,	As of and for the six months ended June 30,		Twelve months ended June 30,
	2011	2011	2012	2012
			(Unaudited)	
		(in € thousands)		
EBITDA	**425,333**	**226,774**	**219,511**	**418,070**
Exceptional income from France Telecom-Orange[(i)]	(10,000)	(10,000)	—	—
ARCEP penalties[(ii)]	—	—	2,630	2,630
Provision for penalties payable to SFR[(iii)]	1,907	—	—	1,907
Provision for tax-related penalties and linked expenses[(iv)]	209	142	51	118
Book capital losses/gains[(v)]	7,021	—	—	7,021
Senior Facility Agreement amendment and refinancing costs[(vi)]	3,526	341	3,556	6,741
CVAE[(vii)]	7,539	4,273	3,988	7,254
EBITDA resulting from continued operations of Coditel Belgium[(viii)]	—	1,909	—	(1,909)
Adjusted EBITDA	**435,535**	**223,439**	**229,736**	**441,832**

(i) Exceptional income resulting from the payment of damages pursuant to the ruling of the Paris Commercial Court, against France Telecom-Orange related to restrictive trade practices on the ADSL market in 2001 and 2002.

(ii) Exceptional expenses resulting from penalties imposed by ARCEP in connection with IRUs granted to us by France Telecom-Orange. See "Business—Legal Proceedings—France Telecom-Orange Litigation Relating to IRUs".

(iii) Provision for penalties payable to SFR as a result of a delay incurred in the deployment of vertical fiber networks pursuant to a fiber deployment agreement entered with SFR in 2008.

(iv) Provisions for tax-related penalties mainly in connection with the VAT treatment of promotional offerings. Please see "Business—Tax Proceedings".

(v) Non-cash losses resulting from the accelerated depreciation of set-top boxes and broadband routers that were returned damaged or not returned at all by churning subscribers.

(vi) Expenses, costs or other charges (including any non-cash charges) related to the amendment to the Senior Facility Agreement, the Offering and the Refinancing.

(vii) As from January 1, 2010, the CVAE (*Cotisation sur la Valeur Ajoutée des Entreprises*), a French business value-added levy calculated on the basis of profits generated by a company, partially replaced the former local business tax (*taxe professionnelle*).

(viii) The portion of EBITDA derived from services rendered to Coditel Belgium and that have continued to be provided after its disposal in June 2011, and were classified as discontinued activities.

(3) Capital expenditures are presented on a cash-flow basis.

(4) Total financial debt represents current and non-current portions of financial liabilities under the Senior Facility Agreement and our finance leases and other liabilities and does not include customers' deposits, our perpetual subordinated notes and our shareholder loans.

(5) Net financial debt represents total debt less cash and cash equivalents.

(6) The last two quarters annualized Adjusted EBITDA is calculated by multiplying the Adjusted EBITDA for the six months ended June 30, 2012 by two.

(7) Pro forma net finance costs represent net finance costs as adjusted to give pro forma effect to (i) the amendments to the Senior Facility Agreement approved on September 8, 2011, (ii) the offering of the Existing Notes, the related incurrence of the Additional C1 Facility Loan and the application of the proceeds therefrom and (iii) this Offering and the application of the proceeds therefrom, including the Refinancing, as if such transactions had occurred on July 1, 2011.

(8) Pro forma cash and cash equivalents represents cash and cash equivalents *minus* the cash inflow resulting from the Offering, estimated to be €3.0 million. Please see "Use of Proceeds" and "Capitalization".

(9) Pro forma total financial debt is calculated as follows:

	As of June 30, 2012 (Unaudited)
	(€ in thousands)
Total financial debt	2,374,788
less debt refinanced at completion of the Refinancing	490,000
plus Additional C2 Facility Loan	500,000
Pro forma total financial debt	**2,384,788**

(10) Pro forma net financial debt is calculated as follows:

	As of June 30, 2012 (Unaudited)
	(€ in thousands)
Pro forma total financial debt	2,384,788
less pro forma cash and cash equivalents	4,197
Pro forma net financial debt	**2,380,591**

(11) Please note that compliance with the financial covenants under the Senior Facility Agreement is measured based on our French GAAP financial statements, while our debt incurrence ratios under the Indenture will be measured based on our IFRS financial statements. In addition, the definitions of EBITDA, net debt and net finance costs used above differ from the definitions of the corresponding concepts used in the Senior Facility Agreement and the Indenture, respectively.

(12) Operating data related to our footprint and penetration are presented as of the end of the period indicated.

(13) Operating data related to ARPU are presented in euro per month (excluding VAT) for the periods indicated. They do not reflect ARPU from White Label end-users. ARPU for the six months ended June 30, 2012 has been calculated as the arithmetical average of the ARPU for the three months ended March 31, 2012 and the ARPU for the three months ended June 30, 2012.

RISK FACTORS

An investment in the Notes involves risks. Before purchasing the Notes, you should consider carefully the specific risk factors set forth below, as well as the other information contained in this offering memorandum. Any of the risks described below could have a material adverse impact on our business, prospects, results of operations and financial condition and could therefore have a negative effect on the trading price of the Notes and our ability to pay all or part of the interest or principal on the Notes. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this offering memorandum. Please see "Forward-Looking Statements".

Risks Relating to Our Business

We operate in competitive industries, and competitive pressures could have a material adverse effect on our business.

We face significant competition from established and new competitors. The nature and level of the competition we face vary for each of the products and services we offer. Our competitors include, but are not limited to: providers of television, broadband Internet and telephony services using Digital Subscriber Line ("DSL") or fiber connections, including France Telecom-Orange, SFR, Free and Bouygues Telecom; providers of television services using technologies such as Internet Protocol television ("IPTV"); providers of television by satellite, including CanalSat and Canal+; providers of DTT; mobile phone network operators; and providers of emerging digital entertainment technologies.

In some instances, we compete against companies with greater scale, easier access to financing, more comprehensive product offerings, greater financial, technical, marketing and personnel resources, larger subscriber bases, greater brand name recognition or longer-established relationships with regulatory authorities, contract providers and customers. For instance, France Telecom-Orange owns a network that is vastly more extensive than ours and that is unlikely to be duplicated or matched by us in the foreseeable future. Free and SFR also own more extensive networks than ours. In the premium television market, CanalSat covers the whole French territory, using satellite and DSL technologies, while we cover only approximately 35% of French homes.

Some of our competitors may have fewer regulatory burdens than us because, among other reasons, they use different technologies to provide their services, do not own their direct access network or are not subject to obligations applicable to operators with significant market power. Such obligations may include pricing restrictions or the obligation to provide access to the network to competitors. In addition, new players from sectors that are either unregulated or subject to different regulations (including Internet players such as Yahoo, Google, MSN, Skype, Apple or audiovisual players) have moved into the electronic communications market. The rapid growth in the popularity of audiovisual content streamed through the telecommunications network and insufficient innovation could lead to telecommunications operators being supplanted by other content or service providers as well as the saturation of the network, stripping operators like us of part of their revenues and margins while simultaneously requiring of them higher investment. This could adversely affect our business, financial condition or results of operations.

Television—audiovisual content. Our main competitors are providers of premium satellite television packages such as CanalSat, DSL triple-play and/or quadruple-play operators such as France Telecom-Orange, SFR, Bouygues Telecom and Free, and providers of pay-DTT such as Canal+. In 2012, television distribution by IPTV was the most popular pay-television distribution platform in France (46% of overall pay-television subscriptions), ahead of satellite (31%), cable (17%) and DTT (7%).

Providers of satellite television services may be able to offer a greater range of channels to a larger audience, reaching wider geographic areas (especially in rural areas) for a lower price than we charge for our cable TV services. Any increase in market share of satellite distribution may have a negative impact on the success of our digital cable TV services. We also face competition from satellite distribution of free-to-air television programming. To receive free-to-air programming, viewers need only to purchase a satellite dish and a set-top box.

Approximately 20% of all digital pay-television consumers in France obtain their service through pay-DTT. Providers of pay-DTT may in the future be able to offer a wider range of channels to a larger audience for a lower price than we charge for our cable TV services.

Furthermore, the number and quality of channels offered in non-premium television packages have significantly increased over recent years. If our premium television packages are not seen by our clients as having a better benefit/cost balance than our non-premium television packages, our clients may opt for our non-premium television packages or the non-premium packages of our competitors.

Broadband Internet. Competition with DSL providers for Internet services is intense and may increase significantly in the future. DSL is currently the most popular type of broadband Internet access in France. France Telecom-Orange is the leading DSL provider, followed by SFR and Free. We may increasingly compete against Internet access providers that have installed fiber-to-the home ("FTTH") connections, which offer broadband Internet speeds that exceed those that are currently possible over our network. Continued upgrades to the quality of DSL-based broadband Internet service and continued FTTH installations, while time-consuming and expensive, would have a negative impact on our competitive position in the broadband Internet market. Please see "—The deployment of fiber networks by our competitors may reduce, and ultimately destroy, our competitive advantages in terms of quality of television and Internet speed".

We also compete with service providers that use other alternative technologies for Internet access, such as satellite technologies or mobile standards such as universal mobile telecommunications system ("UMTS"). These mobile broadband Internet access technologies may allow both incumbent and new broadband access providers the ability to provide high bandwidth connection services for voice and data. Furthermore, additional access technologies may be launched in the future that will further increase competition or force us to increase capital expenditure for additional upgrades. Providers of mobile broadband Internet access may be able to offer fast Internet access speeds at a competitive cost, with the added attractiveness of allowing customers to access the Internet wherever they travel.

Fixed-line telephony. The fixed-line telephony sector in France is a mature market and therefore not likely to undergo material expansion. It is heavily dominated by France Telecom-Orange, the incumbent operator. However, this market is increasingly under pressure from resellers, alternative carriers and Internet telephony offered via DSL and other broadband connections. We do not have the resources of, or benefit from the economies of scale available to, France Telecom-Orange. We also expect increasing competition, including price competition, from traditional and non-traditional telephony providers in the future.

Mobile telephony. We launched mobile telephony services in May 2011 and cannot guarantee that customers will find our new services attractive compared to those offered by our competitors. We compete with well-established mobile network operators ("MNOs") such as France Telecom-Orange, SFR and Bouygues Telecom, as well as with MVNOs such as Virgin Mobile or La Poste. In January 2012, Free launched mobile telephony devices at prices significantly lower than those offered by existing operators France Telecom-Orange, SFR and Bouygues Telecom. We may also face increased costs related to the operation of a new business. In particular, as we offer an unlimited package to our subscribers, a higher than anticipated subscription to our offer may decrease our gross margin on our mobile telephony services.

In addition, we are able to provide mobile telephony services under our own brand by using the nationwide network of Bouygues Telecom, with whom we entered into several MVNO agreements in 2010. The agreements relating to voice transmission services are due to expire in 2017 and those relating to data transmission services are due to expire in 2013, and each of these will be automatically renewed unless otherwise notified by either party with six months' notice prior to their respective initial expiration dates. Should these agreements be renewed, they will be valid until further notice and may be terminated at any time by either party with twelve months' notice. Bouygues Telecom may choose not to renew these contracts or may negotiate to renew these contracts on terms less favorable to us than those we currently benefit from. The loss of these agreements and/or mobile telephony or quadruple-play customers could materially and adversely affect our business, results of operations or financial condition.

Triple- and quadruple-play. Customers of television and telecommunications services are increasingly expecting service providers to offer high quality bundles of television, broadband Internet and telephony services. Many of our competitors offer bundled packages of services. In the triple-play services market, we currently compete with France Telecom-Orange, SFR and Free which, as of June 30, 2012, held approximately 43%, 22% and 22%, respectively, of the French triple-play market. In the quadruple-play services market, we compete with France Telecom-Orange, SFR and Bouygues Telecom, which launched quadruple-play packages in August 2010, May 2010 and May 2009, respectively. Free, which was awarded a mobile telecommunications license in 2009, launched mobile telecommunications services in January 2012 and became an additional competitor in the quadruple-play market. Our competitors are continuing to improve their ability to offer compelling bundles of services. If our bundled products are not able to compete effectively in the marketplace, we may be required to lower our prices or increase investment in our services to improve quality.

Competition may make it difficult to attract new customers and retain existing customers, thereby increasing churn levels, and may lead to increased price pressure. There is no assurance that we will be able to compete successfully against our current or future competitors in any of our businesses. Our failure to do so could have a material adverse effect on our business, financial condition and results of operations.

Competition from emerging technologies. Our market shares may be adversely affected by emerging technologies. Some of our competitors use different platforms to deliver products and services that compete with our products and services. The technical development of existing platforms and the introduction of platforms based on new and emerging technologies, particularly wireless technologies such as UMTS, long-term evolution ("LTE") and worldwide interoperability for microwave access ("WiMax") might, depending on the success of these technologies and our ability to further develop our products and services on our cable network, pose a threat to our competitive standing in the future. The full extent to which these alternative technologies will compete effectively with our fiber cable network may not be known for several years.

The deployment of fiber networks by our competitors may reduce, and ultimately destroy, our competitive advantages in terms of quality of television and Internet speed.

As of June 30, 2012, our network was the most advanced in France in terms of fiber deployment, with approximately 4.6 million homes connected by fiber. FTTB technology is used to connect these homes to our EuroDocsis 3.0-enabled network. EuroDocsis 3.0 is a technology that allows cable to produce speed levels and television quality that cannot currently be matched by DSL technology and we believe it is one of the reasons we offer cable television and broadband Internet services that are superior to those of our competitors. However, to overcome the restraints presented by their current DSL networks, our main DSL competitors (France Telecom-Orange, Free and SFR) have begun to roll out FTTH networks. As of June 30, 2012, France Telecom-Orange, Free and SFR had approximately

1.2 million, 320,000 and 528,000 homes connected by FTTH networks, respectively, and as of the same date, the ARCEP recorded approximately 247,000 subscribers on all FTTH networks.

France Telecom-Orange had announced a plan to invest €2 billion in an FTTH program over the 2011-2015 period, deploy fiber networks in 3,600 French cities by 2015 and offer network coverage for 11 million households by 2015 and 16 million by 2020. On November 15, 2011, France Telecom-Orange together with SFR announced that they had signed an agreement to deploy fiber beyond very densely populated areas of France. The agreement is an important milestone because out of the 11 million households outside very dense areas that are covered by this fiber deployment plans drawn up by France Telecom-Orange and SFR, 9.8 million are in agglomerations where both operators have redundant deployment projects. Under the agreement, SFR will serve 2.3 million of these households and France Telecom-Orange will serve 7.5 million. To offer diversified services to all consumers, France Telecom-Orange and SFR have made a commitment to maintain a commercial presence in the areas covered by the agreement, each buying wholesale services from the group that will ultimately deploy the local network. Triple-play providers had launched quadruple-play offers in anticipation of Free's entry. In line with the conditions set forth by the ARCEP, other operators will also be able to obtain access to the infrastructure deployed by either operator, including through co-financing projects, for their own very-high-speed broadband offers. In total, fiber will reach nearly 60% of all French households by 2020 as a result of private-operator investment. Each of France Telecom-Orange and SFR announced that it is prepared to cooperate with local authorities to identify solutions for reaching the remaining 40% of households, in an approach favoring complementary deployment plans and overall efficiency.

If France Telecom-Orange, SFR or other competitors continue to deploy or significantly expand their fiber networks, they will be able to offer television and broadband Internet services at a level of quality equal or superior to ours, potentially resulting in the loss of certain of our subscribers. It could also force us to incur significant capital expenditures to match their offerings. This could have a material adverse effect on our business, financial condition and results of operations.

We do not own a mobile network and are dependent on a mobile network provider. We may not be able to renew our agreements with our mobile network provider or to renew such agreements on favorable terms.

We do not own or operate our own mobile network. Bouygues Telecom is our exclusive mobile network provider. In 2010, we entered into several long-term MVNO agreements for voice and data transmission with Bouygues Telecom, pursuant to which we provide mobile telephony services to residential customers under our own brand but through the nationwide network of Bouygues Telecom. The agreements relating to voice transmission services are due to expire in 2017 and those relating to data transmission services are due to expire in 2013, and each of these will be automatically renewed unless otherwise notified by either party with six months' notice prior to their respective initial expiration dates. Should these agreements be renewed, they will be valid until further notice and may be terminated at any time by either party with twelve months' notice. Bouygues Telecom may choose not to renew these contracts or may negotiate to renew these contracts on terms less favorable to us than those from which we currently benefit. In addition, Bouygues Telecom must use its best efforts to comply with its obligations under these MVNO agreements, but has a right to unilaterally modify these agreements should it become unable to perform all or part of its obligations due to technical or regulatory reasons. The loss of these agreements and/or mobile telephony or quadruple-play customers could materially and adversely affect our business, results of operations or financial condition. Please see "Business—Material Contracts—MVNO Agreements".

To be successful, we will need to continue to provide our customers with reliable service over Bouygues Telecom's network. We rely on Bouygues Telecom and its affiliates to maintain their mobile facilities and government authorizations and to comply with government policies and regulations. If Bouygues Telecom or its affiliates fail to do so, we may incur substantial losses as a result of service

disruptions. Delays or failure to add network capacity, or increased costs of adding capacity or operating the network, could limit our ability to increase our customer base, limit our ability to increase our revenues or cause a deterioration of our operating margin. Some of the risks related to the Bouygues Telecom network and infrastructure include physical damage to access lines, breaches of security, power surges or outages, software defects and disruptions beyond Bouygues Telecom's control, such as natural disasters and acts of terrorism, among others. Any impact on the nationwide Bouygues Telecom network will have an adverse impact on our business and may adversely affect our financial condition, results of operations and cash flows. Bouygues Telecom has a right to unilaterally modify the MVNO agreements should it become unable to perform all or part of its obligations due to technical or regulatory reasons.

Moreover, the financial conditions of the contracts entered into with Bouygues Telecom include a flat fee and a fee based on the actual level of consumption of mobile telephony services by our clients on Bouygues Telecom's network. Therefore, even if our customers use low levels of mobile telephony services, we will still be charged a monthly flat fee by Bouygues Telecom, causing a deterioration of our operating margin. We may also be charged penalties in the event of significant discrepancies between the forecasts we provide to Bouygues Telecom on a monthly basis in relation to consumption for the following twelve months and the actual levels of consumptions by our subscribers.

Customer churn, or the threat of customer churn, may adversely affect our business.

Customer churn is a measure of the number of customers who stop subscribing for one or more of our products or services. Churn arises mainly as a result of competitive influences, the relocation of clients outside of our network area and price increases. In addition, customer churn may also increase if we are unable to deliver satisfactory services over our network. For example, any interruption of our services, including the removal or unavailability of programming, which may not be under our control, or other customer service problems could contribute to an increase in customer churn or inhibit our goal of reducing customer churn. In addition, we outsource many of our customer services functions to third-party contractors over which we have less control than if we were performing those tasks ourselves. In the past, we have experienced high churn levels in our residential business, especially as a result of the operational difficulties created by the combination of the varied cable businesses we acquired in 2005 and 2006. Any increase in customer churn may lead to increased costs and reduced revenues.

We face risks in connection with our strategy of pursuing strategic opportunities.

We believe that the French television, broadband Internet and fixed and mobile telephony industries may be subject to further consolidation in the future. We and our shareholders have in the past considered the possibility of making selective acquisitions or other business combinations in order to take advantage of such consolidation and as part of our strategy continue to do so. Any such acquisitions or other business combinations may be transformative in nature. The success of this strategy of pursuing strategic opportunities by making selective acquisitions or other business combinations is dependent upon our ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favorable terms and ultimately complete such transactions and integrate any acquired businesses into our Group. Moreover, future consolidation in the industries in which we operate will reduce opportunities for suitable acquisitions or business combinations. We believe that certain of our competitors are also pursuing similar acquisition strategies. These competitors may have greater financial resources available for investments or may be able to accept less-favorable terms than we can accept, which may prevent us from acquiring the businesses that we target and reduce the number of potential acquisition targets.

If acquisitions are made, there can be no assurance that we will be able to maintain the customer base of the businesses we acquire, generate expected margins or cash flows, or realize the anticipated

benefits of such acquisitions, including growth or expected synergies. Although we analyze acquisition targets, those assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. There can be no assurance that our assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations. In most cases, acquisitions involve the integration of a separate business that was previously operated independently with different systems and processes. We may not be able to integrate acquisitions successfully into our business or such integration may require more investment than we expect, and we could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, suppliers, government authorities or other parties, which may impact our results of operations. The process of integrating businesses may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in our results of operations as a result of difficulties or risks, including:

- unforeseen legal, regulatory, contractual and other issues;
- loss of key customers or employees;
- difficulty in standardizing information and other systems;
- difficulty in consolidating facilities and infrastructure;
- difficulty in realizing operating synergies;
- failure to maintain the quality or timeliness of services that we have historically provided;
- added costs of dealing with such disruptions;
- unforeseen challenges from operating in new geographic areas; and
- diversion of management's attention from our day-to-day business as a result of the need to deal with the foregoing disruptions and difficulties.

Furthermore, we may acquire businesses with different regulatory and operating cultures, which may exacerbate the risks described above.

Any acquisitions or business combinations we undertake could be material to our operations. However, neither our shareholders nor we are at present party to any agreement regarding any acquisition or business combination.

If we are unable to implement our acquisition strategy or integrate acquired businesses successfully, our business and our growth could be negatively affected.

Our growth prospects depend on a continued increase in demand for triple-play and quadruple-play products and services as well as economic developments in France.

The use of Internet, telecommunications and other services in France has increased sharply in recent years. We have benefited from this growth and our growth and profitability depend, in part, on a continued increase in demand for these services in France in the coming years. If demand for triple-play and quadruple-play products in general does not increase as expected, this could have a material adverse effect on our business, financial condition and results of operations.

Moreover, we operate exclusively in the French market and our success is therefore closely tied to general economic developments in France and cannot be offset by developments in other markets. Negative developments in, or the general weakness of, the French economy (particularly, increasing levels of unemployment), may have a direct negative impact on the spending patterns of retail consumers, both in terms of the products they subscribe for and usage levels. As almost all our revenue is derived directly or indirectly through our White Label offering, from residential subscribers who may be impacted by these conditions, it may be (i) more difficult to attract new subscribers, (ii) more likely

that certain of our subscribers will downgrade or disconnect their services and (iii) more difficult to maintain ARPUs at existing levels. In particular, a significant portion of our revenue is generated by our premium television and multiple-play packages. Because consumer discretionary spending is affected in periods of economic uncertainty, customers may consider such premium products as being non-essential or not having a benefit/cost balance and therefore opt for our non-premium packages or cheaper offers from our competitors, or cancel or decide not to renew their subscriptions.

The global economic downturn could have a material adverse effect on our liquidity and capital resources.

Recently, the general economic and capital market conditions in the European Union and other parts of the world have undergone significant turmoil. These conditions have adversely affected access to capital and increased the cost of capital. Although we believe that our capital structure will provide sufficient liquidity through the downturn, there is no assurance that our liquidity will not be affected by changes in the financial markets or that our capital resources will at all times be sufficient to satisfy our liquidity needs. If these conditions continue or become worse, our future cost of debt and equity capital and access to the capital markets could be adversely affected.

General market volatility has resulted from uncertainty about sovereign debt and fear that the governments of countries such as Greece, Portugal, Spain, Ireland and Italy may default on their financial obligations. In addition, Standard & Poor's recently announced its decision to downgrade the rating of nine eurozone nations, including France, which was downgraded from AAA to AA+. Furthermore, continued hostilities in the Middle East and recent tensions in North Africa could adversely affect the economies of the European Union and other countries. There is no assurance that a further deterioration of the economy will not affect France and lead to a higher number of nonpaying customers or generally result in service disconnections. Any change in economic conditions in France that negatively impacts our subscribers may jeopardize our growth targets and have a material adverse effect on our business, financial condition and results of operations.

An extended recession, or public perceptions of declining economic conditions, could substantially decrease the demand for our products and adversely affect our business. During periods with deteriorating economic conditions and high unemployment, consumers have less discretionary spending power to purchase products. While the impact of a continued economic slowdown or recession on our business is uncertain, it could result in declines in revenue without a corresponding decrease in expenses and adversely affect our results of operations and financial condition.

Market perceptions concerning the instability of the euro, the potential reintroduction of individual currencies within the eurozone or the potential dissolution of the euro entirely, could negatively impact our business or our ability to refinance our liabilities and adversely affect the value of the Notes.

Recent economic events affecting the European economies, including the sovereign debt crises in Greece, Italy, Spain and Portugal, have raised a number of questions regarding the stability and overall standing of the European Monetary Union. Credit risk in these countries and in other eurozone countries could have a negative impact on our business. The departure or risk of departure from the euro by one or more eurozone countries or the abandonment of the euro as a currency could have major negative effects on our existing contractual relations with our suppliers, a significant portion of which are outside France, and could adversely affect the economy in France, where we provide cable services to our customers. In particular, the departure of France from the euro would increase our exposure to changes in currency rates. Any of these developments could have a significant negative impact on our business, financial condition and results of operations.

Despite the measures taken by countries in the eurozone to alleviate credit risk, concerns persist regarding the debt burden of certain eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual euro member states. These and other

concerns could lead to the reintroduction of individual currencies in one or more member states, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. We cannot assure you that the official exchange rate at which the Notes may be redenominated would accurately reflect their value in euro. These potential developments, or market perceptions concerning these developments and related issues, could adversely affect the value of the Notes.

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our results of operations and cash flow.

The tax laws and regulations in France may change and there may be changes in interpretation and enforcement of tax law. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws and regulations are modified by the competent authorities in an adverse manner.

We currently benefit from a favorable tax regime in respect of value-added tax ("VAT"). Unlike certain of our competitors, we provide television services on a stand-alone basis, which allows us to take advantage of the 7.0% VAT rate applicable to television services in France, which is lower than the standard 19.6% VAT rate, which applies to broadband Internet and fixed and mobile telephony. As of January 1, 2012, the VAT tax rate applicable to television services increased, from 5.5% to 7.0%. This increase in the television VAT rate, as well as any potential future increases, may have a negative impact on our ARPU if we were not able to, or decide not to, increase our prices. Moreover, if we were to increase the pricing of our products and services to compensate for a VAT increase, our offerings could become less attractive compared to those of our competitors.

In addition, we are subject to audits on various companies of our Group since 2005. French tax authorities contest our computation of price reductions on our multiple-play offerings, as compared to the price we charge for each of our services on a stand-alone basis. We apply price reductions primarily to the Internet and telephony component of our multiple-play offering. The tax authorities assert that our price reductions should have been computed pro rata of the stand-alone prices of each of the services (television, broadband Internet, fixed-line telephony and/or mobile telephony) included in our multiple-play packages. As of June 30, 2012, a tax contingency for a total amount of €25.8 million is recognized (compared to €26.4 million as of December 31, 2011). This provision represents our management's best estimate of the potential assessments but the resolution of any of these tax matters could differ from the amount reserved, which could have a material adverse effect on our cash flows, business, financial condition and results of operations for any affected period. Moreover, in 2012, the French tax authorities initiated a tax audit of our Group for the 2010 fiscal year on the same matters and of the same scope as the audits to which we have previously been subject. Our provisions as of June 30, 2012 do not account for this new audit and may therefore be insufficient to cover all of our potential additional tax liabilities.

We may not be able to introduce new or modified services successfully or respond to technological developments.

To remain competitive, we must continue to increase and improve the functionality, availability and features of our network, particularly to upgrade our bandwidth capacity to keep up with increasing demand for bandwidth-intensive services and to launch new services. In general, the cable television and bandwidth-intensive services industries face challenges, including the following:

- rapid and significant technological change;
- changes in usage patterns and in customer needs and priorities;

- the frequent introduction of new products and services or the upgrading of existing products and services in connection with new technologies; and
- the introduction of new industry standards and practices that render current company technologies and systems obsolete.

It is difficult to predict the effect of technical innovations on our business. We may be unable to successfully integrate new technologies or adapt to new or existing technologies to meet customer needs within an appropriate time frame. Any such inability could have a material adverse effect on our business, financial condition and results of operations. We may also be required to incur additional marketing costs in order to attract new and existing subscribers to any new or modified services we offer, as well as to respond to competitors' advertising pressure and potentially more extensive marketing campaigns, which may adversely affect our margins.

We do not have guaranteed access to programs and are dependent on our relationships and cooperation with program providers and broadcasters.

The success of our business depends on, among other things, the quality and variety of the programs delivered to our subscribers. We do not produce our own content and are dependent upon broadcasters for programming. For the provision of programs distributed via our network, we have entered into carriage agreements with public and commercial broadcasters for the analog and digital nonpaying and pay carriage of their signals. Because we depend upon such broadcasters for the provision of programs to attract subscribers, program providers may have considerable power to renegotiate the fees we charge for the carriage of their products and the license fees we pay them. The duration of these distribution contracts varies from one to four years. We may be unable to renegotiate these distribution agreements on terms that are as attractive as those of the current contracts, which could result in a decline in our carriage-fee revenue or an increase in our programming costs. We are currently in the process of negotiating the renewal of our contract with Canal+ but there can be no assurance that this contract will be renewed on terms that are favorable to us or at all. In addition, program providers and broadcasters may elect to distribute their programming through other distribution platforms, such as CanalSat's satellite platform, digital terrestrial broadcasting or IPTV, or may enter into exclusive arrangements with other distributors.

We intend to negotiate additional access to programming to expand our cable TV offering beyond our current cable TV packages and to enhance existing programming. Rights with respect to a significant amount of premium and/or high definition ("HD") content are, however, already held by competing distributors and, to the extent such competitors obtain content on an exclusive basis, the availability of programs to us could be limited. Furthermore, as we continue to develop our VOD and other interactive services, our ability to source content for our free VOD, subscription VOD and transaction VOD offerings will be increasingly important and will depend on our ability to maintain relationships and cooperation with program providers and broadcasters for both standard and HD content.

Our inability to obtain or retain attractively priced competitive programs on our networks could reduce demand for our existing and future television services, thereby limiting our ability to maintain or increase revenues from these services. The loss of programs could have a material adverse effect on our business, financial condition and results of operations.

We are subject to increasing operating costs and inflation risks, which may adversely affect our earnings.

Our operating costs may rise faster than associated revenue, resulting in a material negative impact on our cash flow and net income. We are also impacted by inflationary increases in salaries, wages, benefits and other administrative costs.

We rely on third parties to provide services to our customers and to support our operations. Any delay or failure by such third parties to provide their services or products, any increase in the prices they charge us or any decision not to renew their contracts with us could cause delay or interruptions in our operations, which could damage our reputation and result in the loss of revenue and/or customers.

We have important relationships with several suppliers of hardware, software and services that we use to operate our network and systems and provide customer service. In many cases, we have made substantial investments in the equipment or software of a particular supplier, making it difficult for us to quickly change supply and maintenance relationships in the event that our initial supplier refuses to offer us favorable prices or ceases to produce equipment or provide the support that we require. Our main hardware and software suppliers include Sagemcom, Castlenet and Netgear, which manufacture set-top boxes and broadband routers on our behalf; Cisco, which provides cable router termination systems (i.e., equipment typically located in our headend or hubsite that we use to provide high-speed data services); InfoCablys, which is our main IT supplier; Pro-Cable, which as our enterprise resource planning provider supplies us with billing and related software and hardware; and Nagra France, Open TV and Mediaguard, which provide us with a conditional access system, i.e., an encryption system that secures our pay programming packages, and with certain software licenses and software solutions systems necessary for the delivery of certain of our services, including the distribution of digital television, security systems, interactive applications, VOD platforms and digital television listings.

We also hire a number of subcontractors to maintain our network, operate our call centers and supply, install and maintain the terminals set up at our customers' homes. Even if we work with a limited number of subcontractors which we carefully select and closely monitor, we cannot guarantee that their tasks are properly carried out and fully compliant with the quality and safety standards we require or further assigned to other third-party contractors. In the event that hardware or software products or related services are defective, or if the tasks assigned to our subcontractors are not properly carried out, it may be difficult or impossible to enforce recourse claims against suppliers or subcontractors, especially if warranties included in contracts with suppliers or subcontractors are exceeded by those in our contracts with customers, in individual cases, or if the suppliers or subcontractors are insolvent, in whole or in part. In addition, this would damage our relationships with our clients and the reputation of our brands.

Moreover, we are dependent on some of our competitors. In particular, we rely on: France Telecom-Orange and SFR as we use part of their networks' infrastructure; Bouygues Telecom with whom we have entered into several MVNO agreements that enable us to provide mobile telephony services to residential customers under our own brand but through Bouygues Telecom's network; and Canal+ Group with which we have a number of television channel contracts. Please see "Business—Material Contracts". Our business is also dependent on our ability to provide our customers with television channels and we therefore significantly rely upon contracts with television content providers, including TF1, the M6 Group and Canal+. Content agreements are typically entered into for terms of three years and subsequently renewed. We may not be able to renew our content agreements or renew these agreements on terms as favorable to us.

Furthermore, we interact extensively with Completel, an affiliate company that provides us with key services, including access to its network. Please see "—One of our affiliates, Completel, owns a substantial part of the network we use to provide our services and provides us with certain other key services" below.

There can be no assurance that we will be able to obtain the hardware, software and services we need for the operation of our business, in a timely manner, on competitive terms and in adequate amounts, or at all. The occurrence of any of these risks may create technical problems, damage our reputation, result in the loss of customers and have a material adverse effect on our business, financial condition and results of operations.

One of our affiliates, Completel, owns a substantial part of the network we use to provide our services and provides us with certain other key services.

Completel is an affiliate company of our Group that provides wholesale and DSL White Label services including voice, data and Internet-related services to corporate clients, telecommunication operators and public authorities. The acquisition of Completel in September 2007 by our shareholders, Altice and Cinven, enabled us to gain access to Completel's extensive DSL network backbone and metropolitan fiber networks. Since then, we have in the ordinary course of our business depended on Completel, which owns a substantial part of the network, including a significant portion of our network's backbone which we use to provide services to our customers. For a description of the interaction between our network and Completel's network, please see "Business—Our Network". Although we believe that we could use the backbone of other telecommunication operators should we lose access to Completel's backbone, we may be required to incur additional expenses and be subject to contractual terms that are not as favorable as the arrangements we currently have in place with Completel.

Completel and our Group have also entered into agreements for the provision of certain key services to each other. In the year ended December 31, 2011, we invoiced services for an aggregate amount of €68.5 million to Completel, and Completel invoiced services for an aggregate amount of €43.7 million to us. The main contractual relationships between Completel and our Group are summarized in "Certain Relationships and Related Party Transactions—Relationships with Completel". If either we or Completel were subject to a change of control, these contracts would terminate automatically or could be terminated upon a one-month notice period by either party thereto. The termination of these agreements could result in operational disruptions and require us to source such key services from one or more different providers, at higher costs and on terms that may not be as favorable as the one we currently benefit from.

The occurrence of events beyond our control could result in damage to our network.

If any part of our network is subject to a flood, fire or other natural disaster, terrorism, a power loss or other catastrophe, our operations and customer relations could be materially adversely affected. Disaster recovery, security and service continuity protection measures that we have or may in the future undertake, and our monitoring of network performance, may be insufficient to prevent losses. We are insured against operating losses, but only up to a capped amount. The fiber and coaxial cable constituting our network is not insured. Any catastrophe or other damage that affects our network could result in substantial uninsured losses. Our network may be susceptible to increased network disturbances and technological problems, and such difficulties may increase over time.

In addition, our business is dependent on certain sophisticated critical systems, including our network operating center and billing and customer service systems. In particular, the hardware supporting a large number of critical systems for our cable network is housed in a relatively small number of locations.

Despite the presence of back-up systems, we can provide no assurances that our servers and network may not be damaged by physical or electronic breakdowns, computer viruses or similar disruptions. In addition, unforeseen problems may create disruptions in our IT systems. There can be no assurance that our existing security system, security policy, back-up systems, physical access security and access protection, user administration and emergency plans will be sufficient to prevent data loss or minimize network downtime. Sustained or repeated disruptions or damage to the network and technical systems which prevent, interrupt, delay or make it more difficult for us to provide products and services to our customers in accordance with the agreements with our customers may trigger claims for the payment of damages or contractual remedies and would cause considerable damage to our reputation,

lead to the loss of customers, cause a decrease in revenue and require repairs, which would have a material adverse effect on our business, financial condition and results of operations.

Strikes and other industrial actions could disrupt our operations or make it more costly to operate our facilities.

As of June 30, 2012, we had 1,147 employees, a significant number of whom are members of trade unions. We may experience lengthy consultations with labor unions and works councils as well as strikes, labor disputes, work stoppages and other industrial actions, and difficulty in attracting and retaining operative personnel due to localized strikes or industry-wide strikes. Strikes and other industrial actions, as well as the negotiation of new collective bargaining agreements or salary increases in the future, could disrupt our operations and make it more costly to operate our facilities, which in turn could have a material adverse effect on our business, financial condition and results of operations. We faced several strikes from our personnel between 2005 and 2007 when, in connection with our merger with former cable operators, we completed several rounds of headcount optimization; in early 2009, when we terminated the employment of a number of our door-to-door salespersons; and in spring 2010, when we amended certain of our door-to-door salespersons' employment terms and conditions.

We also face the risk of strikes called by employees of our key suppliers of materials or services, which could result in interruptions in the performance of our services. We cannot assure you that a future labor disturbance, work stoppage or failure to attract and retain operative personnel would not have an adverse effect on our operations and, potentially, on our business results of operations and financial condition.

Our capital expenditures may not generate a positive return.

The television, broadband Internet and telephony businesses in which we operate are capital intensive. Significant capital expenditures are required to add customers to our network, including expenditures for equipment and labor costs. We cannot assure you that our future upgrades will generate a positive return or that we will have adequate capital available to finance such future upgrades. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding or upgrading our network or making our other planned or unplanned capital expenditures, our growth could be limited and our competitive position could be harmed.

We are dependent on intellectual property rights, particularly trademarks, logos and domain names, and inadequate protection of our intellectual property rights, or intellectual property rights litigation, could adversely affect our business.

We rely on our trademarks, logos, domain names, copyrights, patents and trade secrets, as well as licenses and other agreements with our vendors and other parties, to use our technologies, conduct our operations and sell our products and services. We cannot assure you that measures taken in France and abroad to protect our intellectual property rights, particularly our trademarks, logos and domain names, will be effective or that third parties will not infringe or misappropriate our intellectual property rights. Given the importance for us of the recognition of our trademarks, any infringement or misappropriation of this kind could adversely affect our business, results of operations and financial position and our ability to meet our objectives.

Given the high-tech nature of our business, there is no assurance that we are not infringing the intellectual property rights of third parties, particularly by our subcontractors. This is an inherent risk for all operators in the telecommunications, audiovisual and Internet sectors and it is typically addressed through licensing agreements with the holders of the relevant intellectual property rights. We undertake all necessary measures to ensure that intellectual property rights, particularly trademarks, are respected. Except for the claims filed by Free and La Révolution Mobile in relation to our spring 2011

advertising campaign (please see "Business—Legal Proceedings—Free and La Révolution Mobile Litigation Relating to an Advertising Campaign") and the claim filed by Starsight Telecast in relation to an alleged infringement of their intellectual property rights in connection with some of our set-top boxes (please see "Business—Legal Proceedings—Starsight Telecast, Inc. Litigation Relating to Allegedly Counterfeited Set-top Boxes"), there are no significant claims or legal proceedings in progress concerning our trademark or proprietary rights or the rights of third parties. However, there can be no assurance that litigation will not be necessary to enforce our trademark or proprietary rights or to defend ourselves against claimed infringement of the rights of third parties.

We face risks arising from the outcome of various legal proceedings.

We are subject, in the ordinary course of business, to litigation and other legal proceedings, including regulatory and administrative proceedings, claims and audits. Some of the proceedings against us may involve claims for substantial monetary amounts and could divert management's attention from day-to-day business operations to address such issues. Proceedings may result in substantial monetary damages, damage to our reputation and decreased demand for our services, all of which could have a material adverse effect on our business. The ultimate outcome of such proceedings or claims could have a material adverse effect on our financial condition, results of operations or cash flows in the period in which the impact of such matters is determined or paid.

We are currently involved in certain legal proceedings and claims referred to in "Business—Legal Proceedings". Any increase in the frequency or size of these claims may adversely impact our profitability and cash flow and have a material adverse effect on our results of operations and financial condition. In addition, if these claims rise to a frequency or size that is significantly higher than similar claims made against our competitors, our reputation and business are likely to be harmed.

Our television service quality could be negatively impacted by interference from mobile network operators.

The quality of our television service depends on the unimpeded delivery of our signal through our cable network and customers' set-top boxes and television sets. Radio signals may interfere with the delivery of our signal and cause disruptions in the quality of our television service. In particular, radio frequencies that were historically used for the provision of analog terrestrial television have become available in France and may be publicly auctioned to mobile network operators. Tests with mobile devices have shown that the radio signal in the available frequencies may interfere with our signal delivery. If the spectrum becomes available before set-top boxes and television sets with improved shielding against interference become common in the market, some of our customers may experience interference. In such a case, we may use the spectrum that is subject to mobile network interference for our less popular services or invest in other solutions to decrease interference. Customer satisfaction may be negatively impacted and, as a result, we may lose subscribers, which would adversely affect our financial condition and results of operations.

Failure to protect our image, reputation and brand could materially affect our business.

Our success depends on our ability to maintain and enhance the image and reputation of our existing products and services and to develop a favorable image and reputation for new products and services. The image and reputation of our products and services may be reduced in the future if concerns about (i) the quality, reliability and benefit cost balance of our products and services, (ii) the quality of our support centers and (iii) our capability to deliver to our customers the level of services advertised, even when unfounded, could tarnish the image and reputation of our products and services. An event or series of events that materially damage the reputation of one or more of our brands could have an adverse effect on the value of that brand and subsequent revenues from that brand. Restoring the image and reputation of our products and services may be costly and not always possible.

In addition, our principal brand names and trademarks (such as *Numericable* and the name of our offerings) are key assets of our business. Please see "Business—Intellectual Property". We rely upon a combination of copyright, trademark and patent laws to establish and protect our intellectual property rights, but cannot assure you that the actions we have taken or will take in the future will be adequate to prevent violation of our proprietary rights. In August 2011, Free and La Révolution Mobile filed claims against us in connection with an advertising campaign we launched in spring 2011 ("The Mobile revolution continues") which they argued was prejudicial to their respective brands. For further information, please see "Business—Legal Proceedings—Free and La Révolution Mobile Litigation Relating to an Advertising Campaign". There can be no assurance that additional litigation will not be necessary to enforce our trademark or proprietary rights or to defend ourselves against claimed infringement of the rights of third parties. Adverse publicity, legal action or other factors could lead to substantial erosion in the value of our brand, which could lead to decreased consumer demand and have a material adverse effect on our business, results of operations or financial condition and prospects.

Risks Relating to Legislative and Regulatory Matters

The legal status of our network is complex and, in some instances, subject to renewal or challenge.

A telecommunication network is comprised essentially of the physical infrastructure (ducts, head-ends and switches) into which the telecom equipment (predominantly the cables) are placed. These components of our network are governed by different legal frameworks. Because our physical infrastructure is not built on our own premises (but on public land and private property), we have to enter into concession, easement, lease or IRU agreements with landlords. The telecommunication equipment itself can be directly owned by the telecommunication operator or owned by a third-party (which may be itself a telecommunication operator). Several telecommunication operators can occupy or use the same physical infrastructure ("colocation"), or the same telecommunication equipment.

We built our network by acquiring and combining entities that had built their networks under different legal frameworks, with different combinations of the several legal statuses described above. In addition, some of the mostly long-term contractual arrangements pursuant to which we own and operate our network have started to come up for renewal.

Network Using the Ducts of France Telecom-Orange

In 1982, the French State launched the *Plan Câble* (the "Cable Plan") (established by the laws of July 29, 1982 and August 1, 1984). Under the Cable Plan, the physical infrastructure of the network was built by France Telecom-Orange, the incumbent telecom operator. The network was initially operated by certain of our predecessors, local entities financed by both private and public funding, which we later acquired. At the time of these acquisitions, France Telecom-Orange granted us several IRUs on its civil engineering installations (mainly the ducts) that support our network in which our cable infrastructure is installed. These IRUs, which were entered into on different dates, were granted to us for terms of 20 years each and the first of these will be up for renewal in 2019. We cannot guarantee that these IRUs will be renewed or that they will be renewed on commercially acceptable terms. If France Telecom-Orange were not to renew such IRUs, we would need to require France Telecom-Orange to make the ducts available to us pursuant to French regulation, which could result in less favorable terms. For a description of our IRU agreements with France Telecom-Orange, please see "Business—Material Contracts—Infrastructure and Network Agreements—Agreements Relating to the Installation and Operation of the Cable Network—France Telecom-Orange IRUs". The network using the ducts of France Telecom-Orange represents 55% of our overall network.

France Telecom-Orange could also grant IRUs on its civil engineering installations to some of our competitors. This may increase the competitive pressure on our markets (please see "—Risks Relating

to Our Business—We operate in competitive industries, and competitive pressures could have a material adverse effect on our business") and tighten the procedures set forth by France Telecom-Orange to operate on its installations.

Lastly, we initiated proceedings against France Telecom-Orange before the Commercial Court of Paris on October 7, 2010 and before the International Court of Arbitration of the International Chamber of Commerce on October 21, 2010, claiming, respectively, damages of €2.7 billion and €0.5 billion for breach and unilateral modification of the IRUs by France Telecom-Orange. For a more detailed description of these proceedings, please see "Business—Legal Proceedings—France Telecom-Orange Litigation Relating to IRU". The case is still pending before the International Court of Arbitration. However, the Paris Commercial Court ruled on April 23, 2012 in favor of France Telecom-Orange and dismissed our claims for damages. We appealed this decision before the Paris Court of Appeal and are claiming the same amount of damages. France Telecom-Orange, in turn, claims that the proceedings materially impaired its brand and image and claims €50 million in damages. In the event of a negative outcome, not only would we not recover any damages but we would be left with the costs related to these proceedings and we might have to pay damages to France Telecom-Orange.

Networks Set Up Following the New Deal Plan

In 1986, the French government launched the *Plan Nouvelle Donne* (the "New Deal Plan") (law of September 30, 1986 relating to freedom of communication). Under this new regulatory framework, local public authorities could themselves set up the networks or authorize private companies to set up these networks. Several private companies (we later acquired) set up new networks and were granted concessions by public authorities to operate these networks for 20 to 30 years. The networks belonging to the New Deal Plan represent approximately 38% of our overall network.

There is currently some uncertainty on the legal classification of certain long-term agreements entered into with public authorities. The issue relates to the identification of agreements that can be categorized as agreements for the delegation of public services (*délégation de service public*). Under an agreement with a local authority for the delegation of public services, the infrastructure and equipment used to carry out the said public services (*biens de retour*) revert back to the local authorities upon expiration or termination of the agreement. Renegotiations of these agreements were imposed by laws passed on July 9, 2004 and March 5, 2007 with a view to clarifing the legal classification of these agreements. Moreover, the law of August 4, 2008 authorized local authorities to grant equal rights of access on their network to our competitors even if the agreement with such local authorities says otherwise. In a report dated July 2007, the ARCEP asserts that agreements concluded with local authorities in connection with the New Deal Plan are to be categorized as agreements for the delegation of public services. A number of French courts have expressed opposite views on the issue, stating that such categorization depends on the wording of each agreement.

We submitted a proposal, approved by the ARCEP in May 2010, that aimed at clarifying the legal classification of the agreements we currently have in place with public authorities (mainly municipalities). We offered to novate these agreements and specifically agree that upon the termination of such new agreements, the ownership of infrastructure would be granted to local authorities, while ownership of all existing telecommunication equipment would revert back to us. We would, in consideration of the payment of rent, be granted a nonexclusive right to use the local authorities' infrastructure with our telecommunication equipment. We try to tie these contract renegotiations with negotiations for the roll-out of the existing network to very-high-speed optical fiber network depending on the term of the existing agreements, and have already signed approximately 20 agreements taking into account these new arrangements.

However, we cannot assure you that we will be able to extensively implement this proposal, and in particular that the local authorities will agree to terms that would be satisfactory to us. In addition, one

of the key features of this proposal is that our right to use the infrastructure is nonexclusive and that our competitors will also be able to install their own equipment in it. While we believe that this is a satisfactory trade-off to the exclusive rights we currently often have because the cost of such installation will make it difficult for competitors to build their own network, some competitors could challenge it on these grounds.

In early 2012, the right to use public land granted to us by certain French local authorities was put into question as a matter of European competition law (prohibition on State aid). Press reports indicated that one of our competitors had filed a claim with the European Commission alleging that certain terms and conditions of agreements with local authorities relating to a limited portion of our network may constitute illegal State aid. There can be no assurance that we will successfully defend such claim, if filed, or other similar claims that could be filed in the future or that we will not face an inquiry from the European Commission. If any such claim is successful, we may lose the right to use part of our network, be sanctioned with significant fines and/or may be required to repay any State aid, with interest, to the French State.

If we do not remain the operator on part of our network, if we are unable to operate it under favorable commercial or operational terms or if we are obligated to grant access to our network to competitors, there may be a material adverse effect on our business, financial condition and results of operations.

We are subject to significant regulation, which may increase our costs and otherwise adversely affect our business, and further changes could also adversely affect our business.

Our existing and planned activities in the cable television, broadband Internet and telephony industries in France are subject to significant regulation and supervision by various regulatory bodies, including national and EU authorities. Please see ''Regulation''. Such regulation and supervision, as well as future changes in laws or regulations or in their interpretation or enforcement that affect us, our competitors or our industry, strongly influence how we operate our business. Complying with existing and future laws and regulations may increase our operational and administrative expenses, restrict our ability or make it more difficult to implement price increases, affect our ability to introduce new services, force us to change our marketing and other business practices, and/or otherwise limit our revenues.

Regulation of our services includes price controls (for termination charges), service quality standards, requirements to carry specified programming, requirements to grant network access to competitors and content providers, and programming content restrictions. In particular, we are subject to:

- rules regarding declarations and registrations with telecommunication regulatory authorities;
- price regulation with respect to call termination charges;
- rules regarding the interconnection of our network with those of other network operators;
- requirements that a network operator carry certain channels (the must-carry obligation);
- rules relating to the quality of the landline networks;
- specific rules relating to the access to new-generation optical fiber networks;
- rules relating to the content of electronic communications; and
- specific tax regimes.

The telecommunications sector in Europe is subject to strict asymmetric regulation. Asymmetric regulation is focused on market segments—mainly wholesale markets—in which distortion of

competition and dominant market positions have been identified. The ARCEP is required, under the supervision of the European Commission and the Body of European Regulators for Electronic Communications ("BEREC"), and on the basis of the recommendation of the French antitrust authorities, to (i) define the relevant markets in France, (ii) analyze the relevant markets and identify companies that have significant market power in these markets, and (iii) decide whether or not to impose on these companies regulatory obligations commensurate with the competition problems identified.

The first and second phases of this market analysis were completed at the end of 2007 and 2010, respectively. The market analysis was carried out by the ARCEP on three distinct markets: the fixed-line telephony market; the mobile telephony market; and the broadband market. From 2010 to 2012, the ARCEP carried out and completed the third phase of its market analysis, covering the period from 2011 to 2014.

We are not considered by the ARCEP to be an operator identified as having significant market power in any relevant market except in the market of calls terminating on its network, like any other operator. However, we cannot guarantee that we will not, in the future, be identified by the ARCEP as having significant market power in one or several other relevant markets and that the ARCEP will not impose on us additional regulatory measures.

Moreover, as a telecommunications operator, we are subject to a specific tax regime. For instance, the Public Audiovisual Reform law of March 5, 2009 (*loi relative à la communication audiovisuelle et au nouveau service public de la télévision*) introduced a 0.9% tax on the taxable revenues of telecommunications operators. We cannot guarantee that this existing tax will not be raised by the French government or that the government will not levy any additional tax on the telecommunications sector.

Risks Relating to Our Management, Major Shareholders and Related Parties

The interests of our shareholders may be inconsistent with the interests of the holders of the Notes, and the by-laws and shareholders' agreement of our parent holding company impose operating and financial restrictions on our business.

Altice, Cinven and Carlyle own 99% of the equity of our parent holding company. The interests of Altice, Cinven and Carlyle and their respective affiliates could conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. Affiliates of Altice, Cinven or Carlyle may also have an interest in pursuing acquisitions, divestitures, financings or other transactions which, in their judgment, could enhance their equity investments, although such transactions might involve risks to you as a holder of Notes. In addition, Altice, Cinven, Carlyle or their respective affiliates may, in the future, own businesses that directly compete with ours. In particular, Altice, Cinven and Carlyle own Completel, the affiliate that owns part of our network. We share our management with Completel, which may generate conflicts of interest, and causes our management to divide its attention between the two businesses.

Under our parent holding company's by-laws and shareholders' agreement, a number of actions require the approval of Altice, Cinven and Carlyle, including certain investments, mergers, demergers or consolidations relating to us or any of our subsidiaries, any amendments to our by-laws in respect of the appointment or removal of directors, and certain other relevant matters. Altice, Cinven and Carlyle may be unable to agree on whether we should engage in any of these transactions or other matters, and any disagreement may limit our ability to respond to market opportunities, or make certain commercial or financial decisions, as quickly as needed. Please see "Major Shareholders—Shareholders' Agreement".

Investment funds advised by entities affiliated with Altice, Cinven and Carlyle may purchase Notes in the Offering at a purchase price per Note equal to the issue price set forth on the cover page of this offering memorandum, or in the future at different prices. The purchase agreement between the Issuer and the Initial Purchasers will not restrict the ability of the funds and the affiliates of Altice, Cinven and Carlyle to buy or sell the Notes in the future, and as a result, these investment funds and affiliates of Altice, Cinven and Carlyle may buy or sell Notes in open market transactions at any time following the consummation of the Offering.

The loss of certain key personnel could harm our business.

We have experienced employees at both the corporate and operational levels who possess substantial knowledge of our business and operations. We cannot assure you that we will be successful in retaining their services or that we would be successful in hiring and training suitable replacements without undue cost or delay. As a result, the loss of any of these key employees could cause significant disruptions in our business operations, which could materially adversely affect our results of operations.

Risks Related to Our Indebtedness and the Notes

Our significant leverage may make it difficult for us to service our debt, including the Additional C2 Facility Loan, and operate our business.

Upon consummation of the Offering and the application of the proceeds thereof, we will have a substantial amount of outstanding indebtedness with significant debt service requirements. As of June 30, 2012, on an as adjusted basis after giving effect to the Offering and the use of the proceeds therefrom, including the Refinancing, our total financial debt would have been €2,384.8 million, including the Additional C1 Facility Loan and the Additional C2 Facility Loan.

Our significant leverage could have important consequences for you as a holder of the Notes, including:

- making it more difficult for us to satisfy our obligations with respect to the Additional C2 Facility Loan to enable the Issuer to satisfy its obligations with respect to the Notes and our other debt and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or economic or industry conditions;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- restricting us from exploiting certain business opportunities; and
- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing, the costs of such additional financings.

Any of these of other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including under the Additional C2 Facility Loan. If we do not satisfy our debt obligations under the Additional C2 Facility Loan, the Issuer will be unable to satisfy its obligations under the Notes.

Despite our high level of indebtedness, we and our subsidiaries will still be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the Senior Facility Agreement, the Existing Indenture and the Existing Covenant Agreement contain, and the Indenture and the Covenant Agreement will contain, restrictions on our ability to incur additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we now face would increase. In addition, the Senior Facility Agreement, the Existing Indenture, the Indenture, the Existing Covenant Agreement and the Covenant Agreement will not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

We may not be able to generate sufficient cash to meet our debt service obligations.

Our ability to make payments to the Issuer pursuant to the Additional C2 Facility Loan and to meet our other debt service obligations, including under the Senior Facility Agreement, or to refinance our debt, depends on our future operating and financial performance, which will be affected by our ability to successfully implement our business strategy as well as general economic, financial, competitive, regulatory and other factors beyond our control. If we cannot generate sufficient cash to meet our debt service requirements, we may, among other things, need to refinance all or a portion of our debt, including amounts outstanding under the Senior Facility Agreement, obtain additional financing, delay planned capital expenditures or investments or sell material assets.

If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including our obligations under the Additional C2 Facility Loan, which would prevent the Issuer from being able to satisfy its obligations under the Notes. In that event, borrowings under other debt agreements or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all of our debts, including our obligations under the Additional C2 Facility Loan. Please see "Description of Other Indebtedness".

We are exposed to interest rate risks. Shifts in such rates may adversely affect our debt service obligations.

We are exposed to the risk of fluctuations in interest rates, primarily under the Senior Facility Agreement including, from the Loan Funding Date, the C2 Loan Tranche B, which are indexed to the Euro Interbank Offered Rate ("EURIBOR"), plus an applicable margin. EURIBOR could significantly rise in the future, increasing our interest expense associated with the Senior Facility Agreement, reducing cash flow available for capital expenditures and hindering our ability to make payments under the Additional C2 Facility Loan and, as a result, the ability of the Issuer to make payments on the Notes. Neither the Senior Facility Agreement, the Existing Indenture nor the Indenture contain a covenant requiring us to hedge all or any portion of our floating rate debt. None of the principal amount outstanding under our Senior Facility Agreement is hedged. There can be no assurance that we will be able to adequately manage our exposure to interest rate fluctuations in the future or to continue to do so at a reasonable cost.

Restrictive covenants in the Senior Facility Agreement, the Existing Indenture, the Indenture, the Existing Covenant Agreement and the Covenant Agreement may restrict our ability to operate our business. Our failure to comply with these covenants, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our business, results of operations and financial condition.

The Senior Facility Agreement contains negative covenants restricting, among other things, our ability to:

- make acquisitions or investments;
- make loans or otherwise extend credit to others;
- incur indebtedness or issue guarantees;
- create security;
- sell, transfer or dispose of assets;
- merge or consolidate with other companies; and
- make a substantial change to the general nature of our business.

In addition, the Senior Facility Agreement requires us to comply with certain affirmative covenants and certain specified financial covenants and ratios. Compliance with those covenants is measured based on our French GAAP financial statements, while compliance with covenants under the Indentures is measured based on our IFRS financial statements. Please see "Description of Other Indebtedness—Senior Facility Agreement".

Furthermore, the Existing Indenture, the Indenture, the Existing Covenant Agreement and the Covenant Agreement restrict, among other things, our ability to:

- incur or guarantee additional debt or issue preferred stock;
- pay dividends and make other restricted payments;
- create or incur liens;
- make certain asset sales;
- make certain investments;
- agree to limitations on the ability of our subsidiaries to pay dividends or make other distributions;
- engage in sales of assets and subsidiary stock;
- enter into transactions with affiliates; and
- transfer all or substantially all of our assets or enter into merger or consolidation transactions.

The restrictions contained in the Senior Facility Agreement, the Existing Indenture, the Indenture, the Existing Covenant Agreement and the Covenant Agreement could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, make strategic acquisitions, investments or alliances, restructure our organization or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the Senior Facility Agreement, the Existing Covenant Agreement and the Covenant Agreement.

If there is an event of default under any of our debt instruments that is not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross-defaults under our other debt instruments, including the Additional C1 Facility Loan and the Additional C2 Facility Loan. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay our obligations under the Additional C2 Facility Loan in such an event, in which case the Issuer would not be able to meet its payment obligations under the Notes and the Indenture.

A substantial amount of our indebtedness will mature before the Notes, and we may not be able to repay this indebtedness or refinance this indebtedness at maturity on favorable terms, or at all.

The facilities under the Senior Facility Agreement (other than the Additional C Facility) will mature on different maturity dates beginning in 2013 and ending in 2017. Please see "Description of Other Indebtedness—Senior Facility Agreement". Of the €2,384.8 million of total financial debt as adjusted we would have had outstanding as of June 30, 2012, as adjusted to give effect to the Offering and the application of the proceeds thereof (including the Refinancing), €1,524.6 million in borrowings (including all borrowings under the Bank Facilities) will mature prior to the maturity date of the Floating Rate Notes. In addition, the Floating Rate Notes will mature prior to the maturity date of the Fixed Rate Notes and the Existing Notes.

Our ability to refinance our indebtedness, on favorable terms, or at all, will depend in part on our financial condition at the time of any contemplated refinancing. Any refinancing of our indebtedness could be at higher interest rates than our current debt and we may be required to comply with more onerous financial and other covenants, which could further restrict our business operations and may have a material adverse effect on our business, financial condition, results of operations and prospects and the value of the Notes. We cannot assure you that we will be able to refinance our indebtedness as it comes due on commercially acceptable terms or at all and, in connection with the refinancing of our debt or otherwise, we may seek additional refinancing, dispose of certain assets, reduce or delay capital investments, or seek to raise additional capital.

The Floating Rate Notes will bear interest at floating rates that could rise significantly, increasing our interest cost and reducing cash flow.

The Floating Rate Notes will bear interest at per annum rates equal to three-month EURIBOR, adjusted periodically, plus a spread. Interest rates could rise significantly in the future, thereby increasing our interest expense associated with these obligations, reducing cash flow available for capital expenditures and hindering the Issuer's ability to make payments on the Notes.

Risks Relating to the Notes and the Additional C2 Facility Loan

The Issuer is an unaffiliated special purpose vehicle with no assets other than its interest in the Additional C1 Facility Loan and the Additional C2 Facility Loan and cash in its bank accounts to meet its obligations under the Existing Notes and the Notes, respectively.

The Issuer is an unaffiliated special purpose vehicle formed in connection with the issuance of the Existing Notes with no business or revenue-generating operations other than the issuance of debt securities, the ownership of the Additional C1 Facility Loan, and on the Loan Funding Date, the funding of a sub-participation in the Additional C2 Facility Loan made by the Lending Bank to Ypso France, and the subsequent acquisition of the Additional C2 Facility Loan from the Lending Bank on the Loan Acquisition Date, which is expected to be the day after the Issue Date. Its only significant assets will consist of its interest in the Additional C1 Facility Loan and the Additional C2 Facility Loan and any cash in its bank accounts. Furthermore, the Indenture will prohibit the Issuer from engaging in

any activities other than certain limited activities permitted under "Description of the Notes—Certain Covenants". As such, the Issuer will be wholly dependent upon payments from Ypso France under the Additional C2 Facility Loan in order to service its payment obligations under the Notes. If Ypso France fails to make scheduled payments under the Additional C2 Facility Loan, the Issuer will not have any other source of funds to meet its payment obligations under the Notes. In such circumstances, upon enforcement of the Note Collateral, the holders of the Notes would have to seek to enforce remedies under the Additional C2 Facility Loan in order to recover payments due on the Notes. Enforcement remedies under the Additional C2 Facility Loan are subject to the restrictions described in "—The Senior Facility Collateral, which, from the Loan Acquisition Date, will secure the Additional C2 Facility Loan, will not be granted directly to the holders and the holders will have no direct recourse to Ypso France or any other Obligor" below and "—Even though the Notes will indirectly be secured by the Senior Facility Collateral and will share in any enforcement proceeds on a *pari passu* basis, enforcement actions with respect to the Senior Facility Collateral will in most instances be controlled by the lenders under the Bank Facilities".

The Senior Facility Collateral, which, from the Loan Funding Date, will secure the Additional C2 Facility Loan, will not be granted directly to the holders and the holders will have no direct recourse to Ypso France or any other Obligor.

The Senior Facility Collateral, which, from the Loan Funding Date, will secure the Additional C2 Facility Loan, will not be granted directly in favor of the holders of the Notes. Instead, it will be granted in favor of the lenders under the Senior Facility Agreement, including (from the Loan Acquisition Date) the Issuer, and administered by the Senior Facility Security Agent acting on behalf of and in the interest of all lenders under the Senior Facility Agreement, including the Issuer. Certain hedge counterparties may also benefit from the security. The Issuer's receivables under the Additional C2 Facility Loan (including the benefit of any Senior Facility Collateral and Senior Facility Guarantees securing the same) will in turn serve as part of the Note Collateral securing the obligations of the Issuer under the Notes. As a result, upon the occurrence of an event of default under the Notes, the Trustee, the Notes Security Agent and the holders will not have the right to enforce the Senior Facility Collateral and the Senior Facility Guarantees directly but, instead, must accelerate the Notes, enforce the Note Collateral and then seek to enforce the Senior Facility Collateral and the Senior Facility Guarantees, which are subject to certain restrictions described under "—Even though the Notes will indirectly be secured by the Senior Facility Collateral and will share in any enforcement proceeds on a *pari passu* basis, enforcement actions with respect to the Senior Facility Collateral will in most instances be controlled by the lenders under the Bank Facilities".

Furthermore, the Notes will not directly benefit from the terms of the Intercreditor Agreement or, if certain structurally subordinated debt is issued in the future, any future intercreditor agreement that establishes the relative rights of, and the relevant payment priorities of, among others, in the case of the Intercreditor Agreement, the creditors under the Senior Facility Agreement and certain hedge counterparties and, in the case of a future intercreditor agreement, the holders of any future structurally subordinated debt, certain hedge counterparties and the creditors under the Senior Facility Agreement. The holders of the Notes must rely on the ability of the Issuer to enforce its rights, as from the Loan Acquisition Date, as lender under the Senior Facility Agreement and under the Intercreditor Agreement. Furthermore, except as otherwise expressly provided in the Indenture, no proprietary or other direct interest in the Issuer's rights under or in respect of the Senior Facility Agreement exists for the benefit of the holders. This indirect claim over the Senior Facility Collateral and the Senior Facility Guarantees could delay or make more costly any enforcement of such collateral. Furthermore, because the Indenture and the Notes will be governed by New York law, the Senior Facility Collateral and the Senior Facility Guarantees will be governed by the laws of France, Luxembourg, England or Belgium and the Note Collateral will be governed by the laws of Luxembourg or England, enforcement may be further delayed by court proceedings in multiple jurisdictions. Please see "—Enforcement of the rights

of the holders under the Indenture and the rights of the Issuer under the Additional C2 Facility Loan across multiple jurisdictions may be difficult".

The holders do not have any direct voting rights under the Senior Facility Agreement with respect to the Additional C2 Facility Loan and the voting rights of the Issuer under the Senior Facility Agreement are limited pursuant to the Additional C1 Facility Voting Undertaking and the Additional C2 Facility Voting Undertaking.

The holders of the Notes do not have any direct voting rights under the Senior Facility Agreement. Furthermore, the Issuer, as the lender under the Additional C1 Facility Loan and, from the Loan Acquisition Date, as the lender under the Additional C2 Facility Loan, has agreed to limit its voting rights under the Senior Facility Agreement pursuant to the Additional C1 Facility Voting Undertaking and the Additional C2 Facility Voting Undertaking. Other than in certain limited circumstances, such as the enforcement of the Senior Facility Collateral or in connection with the amendment of certain rights of the Issuer as a lender under the Senior Facility Agreement, the Issuer will be deemed to vote alongside the votes cast by the lenders under the Bank Facilities in a proportion identical to such lenders' split of votes. At any time the Issuer votes (and such vote is not deemed to be a vote cast by the lenders under the Bank Facilities), such vote will be split to reflect the proportion of the holders of the Existing Notes, the Notes and the Additional Issuer Debt, if any, consenting and not consenting upon a solicitation of votes or consents. Holders who do not vote or accept or reject a consent request in response to such a solicitation within the applicable consent period or who formally abstain from voting or accepting or rejecting a consent request will be deemed not to have the right to vote. Please see "Description of the Notes—Voting Rights under the Senior Facility Agreement". As a result of these voting arrangements, the holders may not have effective control over certain matters relating to the Senior Facility Agreement, including the Additional C2 Facility Loan.

Even though the Notes will indirectly be secured by the Senior Facility Collateral and will share in any enforcement proceeds on a pari passu basis, enforcement actions with respect to the Senior Facility Collateral will in most instances be controlled by the lenders under the Bank Facilities.

The Existing Notes are, and the Notes will be, secured by a first-ranking pledge over the ordinary shares of the Issuer held by the Limited Partner, over the shares of the General Partner and over all bank accounts of the Issuer. In addition, the Notes are secured by the Receivables Assignment. The Additional C2 Facility Loan is secured by the Senior Facility Collateral and the Senior Facility Guarantees (subject to the guarantee limitations set forth in the Senior Facility Agreement), which also secure the Bank Facilities. Subject to the limitations in the Intercreditor Agreement, any enforcement proceeds will therefore need to be shared on a *pari passu* basis with the lenders under the Bank Facilities, and the Issuer in its capacity as lender of the Additional C1 Facility Loan, the Additional C2 Facility Loan and any Additional Issuer Debt. Moreover, most actions with respect to the Senior Facility Collateral will be controlled by the lenders under the Bank Facilities.

In the event of an event of default under any Indenture, the Notes Security Agent will be able to enforce the Note Collateral, including the Receivables Assignment, but not the Senior Facility Collateral. Pursuant to the terms of the Senior Facility Agreement, any decision to enforce the Senior Facility Collateral requires a vote of the Majority Senior Creditors (being more than 66⅔% of the lenders under the Bank Facilities and, if there are any hedge counterparties, hedge counterparties, measured by their commitments or hedging exposures, respectively). There are presently no hedge counterparties. In addition, pursuant to the Additional C1 Facility Voting Undertaking and the Additional C2 Facility Voting Undertaking, the Issuer will be limited to a maximum vote of 40% as a lender under the Senior Facility Agreement if the aggregate commitments in respect of the Additional C1 Facility Loan, the Additional C2 Facility Loan and any future tranches advanced under the Additional C Facility represent, at the time of such vote, more than 40% but no more than 66⅔% of

the total commitments under the Senior Facility Agreement. Thus, the ability of holders to enforce the Senior Facility Collateral will be restricted. The 40% vote restriction will cease to be effective if the total aggregate commitments in respect of the Additional C1 Facility Loan, the Additional C2 Facility Loan and any other loans advanced under the Additional C Facility represents more than 66⅔% of the total commitments under the Senior Facility Agreement. As of June 30, 2012, after giving effect to the Refinancing, the issuance of the Notes and the use of the proceeds therefrom, the Additional C1 Facility Loan and the Additional C2 Facility Loan would have represented 36.4% of the total commitments under the Senior Facility Agreement. In the event of an acceleration of the Notes following an event of default thereunder, the Issuer will be required to accelerate the principal amount of the Additional C2 Facility Loan. However, decisions regarding the enforcement of the Senior Facility Collateral will be subject to the Additional C2 Facility Voting Undertaking and, as such, the Issuer's (and indirectly the holders' of the Notes) ability to control those decisions will be limited. The lenders under the Bank Facilities may have interests that are different from the interests of the holders of the Notes and they may elect not to enforce the Senior Facility Collateral at a time when it would otherwise be advantageous for the holders of the Notes to do so.

French thin capitalization rules and the rules proposed in the French draft finance law for 2013 may limit our capacity to effectively deduct, for tax purposes, the interest accrued in relation to the Additional C1 Facility Loan and Additional C2 Facility Loan and thus reduce the cash flow available to service our indebtedness.

Under current French tax legislation, deductions of interest paid on loans granted by a related party is allowed under certain conditions but subject to limitations. Deductions for interest paid by a company to its related parties may be disallowed in the fiscal year during which they were incurred if such interest payments exceed each of the following: (i) the amount of interest multiplied by the ratio of (a) 1.5 times the company's net equity and (b) the average amount of indebtedness owed to related parties over the relevant fiscal year; (ii) 25% of the company's earnings before tax and extraordinary items (as adjusted); and (iii) the amount of interest received by the company from related parties. Deductions may be disallowed for the portion of interest that exceeds in a relevant fiscal year the highest of the above three limitations if the amount of such portion exceeds €150,000.

The Additional C1 Facility Loan and the Additional C2 Facility Loan will be considered as related-party debt. As a result, allowable deductions by Ypso France of interest paid on the Additional C1 Facility Loan and the Additional C2 Facility Loan may be limited. In addition, similar thin capitalization rules could apply at the level of the French Obligors for any amount of the proceeds of the Notes used to grant intragroup loans to such French Obligors. However, all or a portion of interest that would not be deductible pursuant to such thin capitalization rules at the level of Ypso France or of such French Obligors might, however, remain deductible for the determination of the taxable result of the Ypso France tax group.

It should be noted that further limitations may apply under French tax law with respect to interest payments made in relation to financial indebtedness, such as the Additional C1 Facility Loan and the Additional C2 Facility Loan. In particular, a draft finance law for 2013 (*projet de loi de finances pour 2013)* has been presented by the French government on September 28, 2012 and is to be discussed before the French Parliament until December 2012. This draft law contains a proposed provision under which the amount of financial expenses (net of financial income), taken after deduction of nondeductible interest pursuant to existing interest deductibility limitations and incurred by a company that is not a member of a French tax group (*intégration fiscale*), would have to be added back to its taxable result to the extent of (i) 15% of the amount of such net financial expenses for each fiscal year closed until December 31, 2013 and (ii) 25% of the amount of such net financial expenses thereafter, to the extent that such company's amount of financial expenses (net of financial income) exceeds €3 million in a given fiscal year.

For companies that are members of a French tax group (*intégration fiscale*), financial expenses (net of financial income) incurred by each member of such tax group with regard to loans granted by companies that are not members of such tax group would be aggregated and, after deduction of nondeductible interest pursuant to existing interest deductibility limitations, would have to be added back to the tax group's taxable result to the extent of (i) 15% of the amount of such net financial expenses for each fiscal year closed until December 31, 2013 and (ii) 25% of the amount of such net financial expenses thereafter, to the extent that the tax group companies' aggregated financial expenses (net of financial income) exceeds €3 million in a given fiscal year.

At this stage, although unlikely, one cannot exclude the possibility that the portion of net financial expenses that would not actually be deductible pursuant to the new rules provided for in the draft finance law of 2013 might be recharacterized as a constructive dividend, in which case such amounts may be subject to a withholding tax at a rate of 30% or 55%, subject to the more favorable provisions of any applicable double tax treaty.

If our ability to effectively deduct interest accrued on loans for purposes of the taxes we pay in France were to be limited by the aforementioned thin capitalization rules and/or rules proposed in the draft finance law for 2013, our tax burden could increase and therefore negatively impact our financial condition and results of operations. Our cash flow might also be negatively impacted should we have to pay Additional Amounts as a result of the levying of the withholding tax referred to in the preceding paragraph.

Ypso France is a holding company that has no revenue-generating operations of its own and will depend on cash from its operating company subsidiaries to be able to make payments on the Additional C2 Facility Loan.

Ypso France is a holding company with no material business operations other than the equity interests it holds, directly or indirectly, in each of its subsidiaries. Ypso France's subsidiaries contribute substantially all of the Group's assets and EBITDA. Ypso France is dependent upon the cash flow from its operating subsidiaries in the form of dividends or other distributions or payments to meet its obligations, including its obligations under the Additional C2 Facility Loan. The amounts of dividends and distributions available to Ypso France will depend on the profitability and cash flows of its subsidiaries and the ability of those subsidiaries to declare dividends under applicable law. The subsidiaries of Ypso France, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance upstream loans to Ypso France to make payments in respect of Ypso France's indebtedness, including the Additional C2 Facility Loan. In addition, the subsidiaries of Ypso France (other than the Obligors) have no obligation to make payments with respect to the Additional C2 Facility Loan.

The value of the Senior Facility Collateral or the Senior Facility Guarantees may not be sufficient to satisfy all of Ypso France's obligations under the Senior Facility Agreement, including the Additional C2 Facility Loan. If Ypso France cannot satisfy its obligations under the Additional C2 Facility Loan, the Issuer will not be able to meet its obligations under the Notes.

The collateral securing the Additional C2 Facility Loan will also secure the Bank Facilities, any secured hedging exposure of the Group, the Additional C1 Facility Loan and any Additional Issuer Debt on a *pari passu* basis. Subject to the limitations in the Intercreditor Agreement, any enforcement proceeds from the foreclosure on the liens over the Senior Facility Collateral or the Senior Facility Guarantees will therefore need to be shared on a *pari passu* basis with the creditors under the Bank Facilities, secured hedging, the Additional C1 Facility Loan, Additional C2 Facility Loan and any Additional Issuer Debt. Since the Issuer has no material assets available to meet its obligations under the Notes other than its rights under the Additional C2 Facility Loan, the amount of proceeds realized upon the enforcement of the Note Collateral would be wholly dependent on the amount the Issuer, in

its capacity as the lender of the Additional C2 Facility Loan, is able to recover upon enforcement of the Senior Facility Collateral.

No appraisals of any Senior Facility Collateral have been prepared in connection with this Offering. The amount of proceeds realized upon the enforcement of the Senior Facility Collateral or the Senior Facility Guarantees will depend upon many factors including, among others, whether or not Ypso France's businesses are sold as a going concern, the ability to readily liquidate the Senior Facility Collateral, the availability of suitable buyers, and the jurisdiction in which the enforcement action or sale is contemplated. There may not be any buyer willing and able to purchase Ypso France's businesses as a going concern, or willing to buy a significant portion of their assets in the event of an enforcement action. There can be no assurance that the Senior Facility Collateral could be sold in a timely manner, if at all. Each of these factors or any challenge to the validity of any arrangements governing creditors' rights under the Senior Facility Collateral could reduce the proceeds realized upon enforcement of such collateral. Consequently, there can be no assurance that the proceeds from the sale of the Senior Facility Collateral, if successful, will be sufficient to satisfy Ypso France's obligations under the Additional C2 Facility Loan. If Ypso France cannot satisfy its obligations under the Additional C2 Facility Loan, the Issuer will not be able to meet its obligations under the Notes.

The realization of the security interests in the Senior Facility Collateral will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Senior Facility Security Agent may be required to obtain the consent of a third-party to obtain or enforce a security interest in a contract or to otherwise transfer rights under a contract to a third party. We cannot assure you that the Senior Facility Security Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Senior Facility Security Agent may not have the ability to foreclose upon those assets and the value of the Senior Facility Collateral may significantly decrease.

If Ypso France experiences a change of control, the Issuer may not have enough funds to meet its payment obligations under the Indenture and the Notes.

Upon the occurrence of a change of control (as defined in the Senior Facility Agreement), the Obligors will be required to prepay the Bank Facilities, but they will only be required to prepay the Additional C2 Facility Loan if such change of control is also "a change of control" as defined in the Indenture, and to the extent required following the offer to purchase described under "Description of the Notes—Repurchase at the Option of Holders—Change of Control". Under the terms of the Indenture upon the occurrence of a change of control (as defined in the Indenture) of Ypso France or the sale of all or substantially all of its assets, the Issuer will be required to offer to purchase all of its outstanding Notes at a purchase price equal to 101% of the aggregate principal amount thereof on the date of purchase, in addition to accrued and unpaid interest, if any, up to the purchase date. To the extent Notes are tendered as a result of such offer, Ypso France is required to make corresponding payments to the Issuer under the Additional C2 Facility Loan. If Ypso France cannot satisfy its obligations under the Additional C2 Facility Loan, the Issuer will not be able to meet its obligations under the Notes. In addition, the Existing Indenture contains similar provisions.

There can be no assurance that, in the event of a change of control, Ypso France would have sufficient funds to make the required payments under the Additional C1 Facility Loan and the Additional C2 Facility Loan. We expect that we would require third-party financing to make any mandatory prepayments of the Bank Facilities and the required payments under the Additional C1 Facility Loan and the Additional C2 Facility Loan and any Additional Issuer Debt upon a change of control. We cannot assure you that we would be able to obtain such financing.

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" (as defined in the respective Indentures). Except as described under "Description of the Notes—Repurchase at the Option of Holders—Change of Control", the Indentures do not contain provisions that require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of "change of control" contained in the Indenture includes a disposition of all or substantially all of the assets of Ypso France and its restricted subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its restricted subsidiaries taken as a whole. As a result, it may be unclear whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

Holders of the Notes have limited recourse to the Issuer, because payments under the Notes are limited to the amount of certain payments received by the Issuer under the Additional C2 Facility Loan and the related agreements.

The obligations of the Issuer under the Indenture, the Notes and the Note Collateral Documents will be limited as set forth in the Indenture. All payments to be made by the Issuer under the Indenture, the Notes and the Note Collateral Documents will be made only from and to the extent of such sums received or recovered by or on behalf of the Issuer, the Trustee or the Notes Security Agent from the Note Collateral, including the Issuer's rights under the Additional C2 Facility Loan, the Senior Facility Agreement and its other assets. None of the Trustee, the Notes Security Agent or the holders of Notes will have any further recourse to the Issuer in respect thereof in the event that the amount due and payable by the Issuer under the Indenture, the Notes and the Note Collateral Documents exceeds the amounts so received under the Note Collateral or the Issuer's other assets.

The Trustee and the holders of the Notes will not be permitted to take any action, commence any proceeding or petition a court for the liquidation of the Issuer, nor will they be permitted to enter into any arrangement, reorganization or insolvency proceeding in relation to the Issuer, whether under the laws of Luxembourg or other applicable bankruptcy laws. The obligations of the Issuer are solely obligations of the Issuer, and the Trustee, the Notes Security Agent and the holders of the Notes will not have any recourse against any of the directors, officers or employees of the Issuer for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated by the Indenture, the Note Collateral Documents and the related documents. Having realized the Note Collateral and distributed the net proceeds thereof, in each case in accordance with the Indentures, none of the Trustee, the Notes Security Agent or the holders of the Notes may take any further steps to recover any sum still unpaid in respect of the Notes, the Indentures or any of the Note Collateral Documents or otherwise and all claims against the Issuer in respect of any such sum due still unpaid shall be extinguished.

Holders of the Notes have limited direct recourse to Ypso France.

Except for the specific interests of the Issuer as a lender of the Additional C2 Facility Loan under the Senior Facility Agreement or as otherwise expressly provided in the terms of the Indenture, no proprietary or other direct interest in the Issuer's rights under or in respect of the Senior Facility Agreement exists for the benefit of the holders of the Notes. Furthermore, subject to the terms of the Indenture, no holder of Notes can enforce any provision of the Senior Facility Agreement or have

direct recourse to Ypso France except through an action by the Trustee or the Notes Security Agent pursuant to the rights granted to the Trustee and the Notes Security Agent under the Indentures and the Note Collateral Documents. Under the Indenture, the Trustee shall not be required to initiate proceedings to enforce payment in respect of the Additional C2 Facility Loan under the Senior Facility Agreement unless it has been indemnified and/or secured by the holders of the Notes to its satisfaction. In addition, neither the Issuer nor the Trustee is required to monitor the financial performance of Ypso France.

The value of the Note Collateral securing the Notes may not be sufficient to satisfy the Issuer's obligations under the Notes and the Note Collateral may be reduced or diluted under certain circumstances.

The Notes are only secured by a first-ranking pledge over the ordinary shares of the Issuer held by the Limited Partner, a first-ranking pledge over the shares of the General Partner, a first-ranking pledge over all bank accounts of the Issuer and the Receivables Assignment. The holders of the Existing Notes, the Notes and any Additional Issuer Debt that is permitted to be incurred under the Existing Indenture and the Indenture will share the share pledges and the bank accounts pledge on a *pari passu* basis. In the event of foreclosure on the Note Collateral securing indebtedness under the Notes, the proceeds from the sale of the shares of the Issuer and the General Partner and the interests of the Issuer under the Additional C2 Facility Loan and the Senior Facility Agreement may not be sufficient to satisfy the Issuer's obligations under the Notes. The value of the Note Collateral and the amount to be received upon a sale of such collateral will depend upon many factors, including, among others, the ability to sell the capital stock of the Issuer in an ordinary sale and the availability of buyers. In addition, the ordinary shares of the Issuer may be illiquid and may have no readily ascertainable market value.

Moreover, if the Issuer issues additional Notes under the Indenture or additional indebtedness under other indentures, holders of such additional Notes and such other indebtedness may benefit from the same collateral as the holders of the Notes being offered hereby, thereby diluting your ability to benefit from the liens on the Note Collateral that is shared.

It may be difficult to realize the value of the collateral securing the Notes.

The Note Collateral directly securing, and the Senior Facility Collateral and the Senior Facility Guarantees indirectly securing, the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the Notes Security Agent, the Senior Facility Security Agent and any creditors that also have the benefit of liens on the Note Collateral or the Senior Facility Collateral and the Senior Facility Guarantees from time to time, whether on or after the Issue Date. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Note Collateral or the Senior Facility Collateral and the Senior Facility Guarantees as well as the ability of the Notes Security Agent or Senior Facility Security Agent to realize or foreclose on such Note Collateral or Senior Facility Collateral, respectively.

No appraisals of any Note Collateral or Senior Facility Collateral have been prepared in connection with the offering of the Notes. The value of the Note Collateral or the Senior Facility Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. We cannot assure you that the fair market value of the Note Collateral or the Senior Facility Collateral as of the date of this offering memorandum exceeds the principal amount of the debt secured thereby. The value of the assets pledged as collateral for the Notes could be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy, competition and other future trends.

The realization of the security interests in the Note Collateral, the Senior Facility Collateral and the Senior Facility Guarantees will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Notes Security Agent and the Senior Facility Security Agent may be required to obtain the consent of a third-party to obtain or enforce a security interest in a contract. We cannot assure you that the Notes Security Agent or the Senior Facility Security Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Notes Security Agent and the Senior Facility Security Agent may not have the ability to foreclose upon those assets and the value of the collateral may significantly decrease.

The rights of the holders in the Senior Facility Collateral or the Note Collateral may be adversely affected by the failure to perfect security interests therein.

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party or the grantor of the security. The liens over the Senior Facility Collateral or the Note Collateral and the Senior Facility Guarantees may not be perfected with respect to the claims under the Senior Facility Agreement or the Notes, as applicable, if the relevant Obligor, the Issuer, the Senior Facility Security Agent or the Notes Security Agent, as the case may be, fails or is unable to take the actions it is required to take to perfect any of these liens.

The Obligors under the Senior Facility Agreement will have control over the Senior Facility Collateral, and the sale of particular assets could reduce the pool of assets securing the Senior Facility.

The Indenture, the Intercreditor Agreement and the Senior Facility Agreement will allow the Obligors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of, as applicable, any income from the Senior Facility Collateral. So long as no default or event of default under the Indenture governing the Notes or the Senior Facility Agreement would result therefrom, the Obligors may, among other things, without any release or consent by the Trustee, the Notes Security Agent, the Senior Facility Security Agent or holders of the Notes, conduct ordinary course activities with respect to the Senior Facility Collateral, such as selling, factoring, abandoning or otherwise disposing of the Senior Facility Collateral and making ordinary course cash payments, including repayments of indebtedness.

The value of the Senior Facility Collateral may decrease because of obsolescence, impairment or certain casualty events.

The value of the properties of the Obligors serving as Senior Facility Collateral may be adversely affected by depreciation and normal wear and tear or because of certain events that may cause damage to these properties. Although the Senior Facility Agreement contains certain covenants in relation to the maintenance and preservation of assets, the Obligors are not required to improve the Senior Facility Collateral. The Obligors are obligated under the Senior Facility Agreement to maintain insurance with respect to the Senior Facility Collateral, but the proceeds of such insurance may not be sufficient to rebuild or restore such properties to their original condition prior to the occurrence of the events that caused the insured damages. Those insurance policies will most certainly not cover all the events that may conceivably result in damage to the Senior Facility Collateral.

The security interests in the Senior Facility Collateral may be declared unenforceable against third parties under fraudulent conveyance laws.

French law contains specific provisions dealing with fraudulent conveyance both in and outside of bankruptcy, called "*action paulienne*" provisions. The *action paulienne* provisions offer creditors protection against a decrease in their means of recovery. A legal act performed by a person (including,

without limitation, an agreement pursuant to which it agrees to provide or provides security for any of its or a third-party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside bankruptcy of the relevant person by the bankruptcy trustee or receiver in a bankruptcy of the relevant person or by any of the creditors of the relevant person outside bankruptcy, and may be declared unenforceable against the creditors who brought the claim in relation to the relevant act if: (i) the act was performed with the intention to defraud the creditor; and (ii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of its creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*à titre gratuit*), in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance. If a court found that the grant of the security interests in the Senior Facility Collateral involved a fraudulent conveyance that does not qualify for any defense under applicable law, then the issuance of the Notes, the funding of the Additional C2 Facility Loan by the Issuer or the grant of the security interests in the Note Collateral or the Senior Facility Collateral could be (i) declared unenforceable against the creditor that lodged the claim in relation to the relevant act (outside of bankruptcy proceedings) or (ii) if entered into or granted while the debtor is in a state of cessation of payments (*cessation de paiements*), declared void vis-à-vis all third-party creditors.

The grant of the Senior Facility Collateral or the Senior Facility Guarantees or the Note Collateral may be challenged or voidable in an insolvency proceeding.

The grant of the Senior Facility Collateral or the Senior Facility Guarantees in favor of the lenders under the Senior Facility Agreement or the Note Collateral in favor of the holders under the Indentures may be voidable by the grantor or by an insolvency trustee, liquidator, receiver, examiner or administrator or by other creditors, or may be otherwise set aside by a court, or be unenforceable if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given or if the grant is detrimental for the grantor and an insolvency proceeding in respect of the grantor is commenced within a legally specified "clawback" period following the grant.

French insolvency laws may not be as favorable to holders as the insolvency laws of the United States or other jurisdictions.

Ypso France conducts most of its business in France and, to the extent that the center of its main interests is deemed to be in France, would be subject to French insolvency proceedings affecting creditors, including court-assisted proceedings (*mandat ad hoc* or *conciliation* proceedings) and court-controlled insolvency proceedings (*sauvegarde*), accelerated financial safeguard proceedings (*sauvegarde financière accélérée*), or reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*). In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit the ability of holders to enforce their rights (through or in place of the Issuer) under the Additional C1 Facility Loan and the Additional C2 Facility Loan. In addition, the Issuer as a lender under the Additional C1 Facility Loan and the Additional C2 Facility Loan will constitute a member of the creditors' committee for credit institutions and will vote alongside the members of that committee on any safeguard plan. If the Notes had been issued by Ypso France, the holders would instead have voted as part of a bondholder committee and may have been better positioned in the approval process of any safeguard plan. For more information, please see "Insolvency Laws of Certain Jurisdictions—France".

French security interests securing the Additional C Facility are granted as second- or lower-ranking security interests.

French law provides that future receivables may only be secured by security interests to the extent such future receivables were determinable at the time of the grant of the relevant security interests. Because it is unclear under French law whether additional facilities that were added to the Senior Facility Agreement after its date benefit from the first-ranking security interests over the Senior Facility Collateral granted on the initial date of the Senior Facility Agreement, the lenders under the Senior Facility Agreement have requested that second- or lower-ranking security interests be granted in their favor from time to time on the Senior Facility Collateral. For the same reason, and for the avoidance of doubt, second- or lower-ranking security interests over the Senior Facility Collateral will be granted on or before the Loan Funding Date in favor of the Lending Bank, in its capacity as lender under the Additional C2 Facility Loan. Although French law recognizes, as a matter of principle, the possibility of creating second- and lower-ranking security interests over tangible assets in accordance with Article 2340 of the French civil code (*Code civil*), it is unclear whether such provision also applies to security interests over intangible assets (such as receivables and bank accounts), especially when such security interests cannot be registered. In addition, although intercreditor agreements are widely used in France in the context of such types of financings, the validity and enforceability of intercreditor agreements has not been tested before the French Supreme Court (*Cour de cassation*). If any of the security interests or if the sharing provisions of the Intercreditor Agreement were to be held by French courts unenforceable or invalid to secure, or with respect to, the Additional C2 Facility Loan, you may recover less than your claims under the Notes in case of enforcement of the Senior Facility Collateral.

The Senior Facility Guarantees are severely limited due to financial assistance and/or corporate benefit rules

Due to certain restrictions under Luxembourg, Belgian and French laws related to financial assistance and/or corporate benefit, the guarantees of the Additional C2 Facility Loan from Est Videocommunication SAS, Numericable SAS, Eno Holding, Coditel Debt S.à.r.l., NC Numericable SAS, Eno Belgium SPRL and Ypso Finance will be severely limited pursuant to the limitations on guarantees set forth in the Senior Facility Agreement. Although, pursuant to the terms of the Intercreditor Agreement, the Issuer, as the lender under the Additional C2 Facility Loan, will share equally with the other lenders under the Senior Facility Agreement in respect of any recoveries from all of the Senior Facility Guarantors (subject to the limitations set forth in the Intercreditor Agreement), there can be no assurance that the Intercreditor Agreement will be held enforceable by French courts, as the enforceability of intercreditor arrangements has not been tested before the French Supreme Court (*Cour de cassation*). If any of the security interests or if the sharing provisions of the Intercreditor Agreement were to be held unenforceable by French courts, you may recover less than your claims under the Notes in the event of enforcement of the Senior Facility Collateral. For a description of the Senior Facility Guarantees, including any limitations thereon, please see clause 24 of the Senior Facility Agreement. For a description of the application of proceeds provisions of the Intercreditor Agreement, please see "Description of Other Indebtedness—Intercreditor Agreement—Application of Proceeds".

Secured parties may be required to pay a "soulte" in the event they decide to enforce pledges over the shares of French companies by judicial or contractual foreclosure of the collateral consisting of shares rather than by a sale of such collateral in a public auction.

Pledges over shares of French companies may be enforced at the option of the secured creditor either by a sale of the pledged shares in a public auction (the proceeds from the sale being paid to the secured creditors), by judicial foreclosure (*attribution judiciaire*) or by contractual foreclosure (*attribution conventionnelle*) of the shares to the secured creditor, following which the secured creditor is the legal owner of the pledged shares. In a proceeding for judicial or contractual foreclosure, an expert is

appointed to value the collateral (in this case, the pledged shares) and if the value of the collateral exceeds the amount of secured debt, the secured creditors may be required to pay the obligor a *soulte* equal to the difference between the value of the shares and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent sale of the collateral.

Consequently, in the event that the lenders under the Senior Facility Agreement (including the holders of the Notes acting through or instead of the Issuer) are entitled to, and decide to, enforce the Senior Facility Collateral, which consists of a pledge over the shares of a French company, through judicial or contractual foreclosure, and the value of such shares exceeds the amount of the secured debt, such lenders may be required to pay to Ypso France a *soulte* equal to the amount by which the value of such shares exceeds the amount of the secured debt.

If the value of such shares is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such shares, and the remaining amount owed to such creditors will be unsecured.

Alternatively, the lenders under the Senior Facility Agreement (including the holders of the Notes acting through or instead of the Issuer) could decide to undertake the sale of the pledged shares by public auction. Because public auction procedures are not designed for a sale of a business as a going concern, however, it is possible that the sale price received in any such auction might not reflect the value of the Group as a going concern.

Luxembourg insolvency laws may not be as favorable to holders as the insolvency laws of the United States or other jurisdictions.

The insolvency laws of Luxembourg may not be as favorable to holders as insolvency laws of jurisdictions with which investors may be familiar. The Issuer is incorporated in Luxembourg and its center of main interests may be regarded as being in Luxembourg. Accordingly, insolvency proceedings with respect to the Issuer may proceed under, and be governed by, Luxembourg insolvency laws. For more information, please see "Insolvency Laws of Certain Jurisdictions—Luxembourg". Pursuant to the Council Regulation (EC) no. 1346/2000 of May 29, 2000 on insolvency proceedings, as amended (the "Insolvency Regulation"), if the main center of interest of the Issuer is located in any Member State of the European Union other than the Member State in which the Issuer's head office is located, insolvency proceedings may also be initiated against the Issuer in such other Member State.

The treatment of security interests over the Issuer's assets and over the Issuer's and the General Partner's ordinary shares may be limited by Luxembourg law.

Assets over which a valid security right has been granted will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized). Under Article 20 of the Luxembourg Act dated August 5, 2005 on financial collateral arrangements, as amended (the "Collateral Act"), all collateral arrangements in respect of assets over which Luxembourg security rights have been granted, as well as all enforcement measures and valuation and enforcement measures agreed upon by the parties in accordance with the Collateral Act, are valid and enforceable against third parties, insolvency receivers, liquidators and other similar persons notwithstanding the insolvency proceedings and even if entered into during the pre-bankruptcy period (*période suspecte*) (in all cases except in case of fraud).

Security rights granted by the Issuer that are governed by a law other than Luxembourg law are subject to Article 24 of the Collateral Act, which provides that a foreign law security right granted by a Luxembourg grantor will be valid and enforceable as a matter of Luxembourg law notwithstanding any Luxembourg insolvency proceedings, if such foreign law security right is similar in nature to a Luxembourg financial collateral arrangement falling within the scope of the Collateral Act (i.e., a

pledge or transfer of title by way of security covering financial instruments and/or monetary claims). Notwithstanding the foregoing, a competent Luxembourg court and a Luxembourg insolvency official or liquidator appointed for the Issuer will give full effect to the foreign security that does not have the legal nature of a Luxembourg security right where it covers collateral located in a Member State (other than Luxembourg) of the European Union party to the "Insolvency Regulation, even if the foreign right *in rem* (for purposes of the Insolvency Regulation) over this collateral grants more extensive rights to a secured creditor than internal Luxembourg law, unless the collateral has moved to Luxembourg prior to the opening of Luxembourg insolvency proceedings.

The Issuer is established as an unregulated securitization company (société de titrisation).

The Issuer was established as an unregulated insolvency-remote securitization company (*société de titrisation*) within the meaning of the Luxembourg Act of March 22, 2004 on securitization, as amended. Between all holders of Notes issued by the Issuer, the securitized assets of the Issuer are exclusively available to satisfy the rights of holders of Notes issued in relation to such securitized assets. The securitized assets may include (without limitation) the proceeds of the Notes issued or collateral relating to such Notes and any proceeds from any such collateral. Legal proceedings initiated against the Issuer by creditors who agreed not to make any application for the commencement of bankruptcy or similar insolvency proceedings against the Issuer shall, in principle, be declared inadmissible by a Luxembourg court. Notwithstanding the foregoing, if the Issuer fails for any reason to meet its obligations or liabilities (that is, if the Issuer is in a state of cessation of payments (*cessation des paiements*)) and has lost its commercial creditworthiness (*ébranlement de crédit*), a creditor who has not (and cannot be deemed to have) accepted non-petition provisions in respect of the Issuer may be entitled to make an application for the commencement of insolvency proceedings against the Issuer. The commencement of such proceedings may in certain conditions, entitle creditors (including hedge counterparties) to terminate contracts with the Issuer and claim damages for any loss suffered as a result of such early termination. The Issuer is insolvency-remote, not insolvency-proof.

Enforcement of the rights of the holders under the Indenture and the rights of the Issuer under the Additional C2 Facility Loan across multiple jurisdictions may be difficult.

Since the Issuer is established, has its registered office and conducts the administration of its business in Luxembourg, any insolvency proceedings against the Issuer are likely to be commenced in Luxembourg and based on Luxembourg insolvency laws. Ypso France and most of its subsidiaries are organized under the laws of France, and any insolvency proceedings against such companies are likely to be based on French insolvency laws. Pursuant to the Insolvency Regulation, if the main center of interest of the Issuer, Ypso Holding, Ypso France or any of its subsidiaries is located in any Member State of the European Union other than the Member State in which such entity's head office is located, insolvency proceedings may also be initiated against such entity in such other Member State.

The Indenture, the Notes, the Note Collateral, the Additional C2 Facility Loan and the Senior Facility Collateral will be governed by the laws of a number of different jurisdictions. The rights of the holders under the Indenture and the rights of the Issuer under the Additional C2 Facility Loan will thus be subject to the laws of a number of jurisdictions, and it may be difficult to effectively enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multijurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the jurisdiction of organization of Ypso France and the jurisdiction of organization of the Issuer may be materially different from, or in conflict with, one another, including creditors' rights, the priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect

the ability to realize any recovery under the Notes. Proceeds from the disposal of any assets may be paid to accounts outside of the jurisdiction where the security provider is incorporated and that are not subject to the collateral arrangements. This may also result in a reduction of the value of the security.

Holders may be unable to enforce judgments obtained in U.S. courts against the Issuer.

The Issuer's General Partner is not a resident of the United States. As a consequence, holders may not be able to effect service of process on the Issuer's General Partner in the United States or holders may not be able to enforce judgments obtained in U.S. courts against the Issuer outside of the United States. Please see "Service of Process and Enforcement of Civil Liabilities".

There are significant restrictions on the ability of holders to transfer or resell their Notes.

The Notes are being offered and sold pursuant to an exemption from registration under the U.S. Securities Act and applicable U.S. state securities laws. The Notes have not been registered under the U.S. Securities Act, any U.S. state securities laws or under any other country's securities laws, and Ypso France and the Issuer do not intend to register the Notes under the U.S. Securities Act, any U.S. state securities laws or any other country's securities laws after the Offering. Therefore, holders may transfer or resell the Notes in the United States only in compliance with Rule 144A under the U.S. Securities Act and applicable state securities laws, and holders may be required to bear the risk of their investment for an indefinite period of time. The risk may be exacerbated by the absence of registration rights for the holders. In addition, transfer restrictions with respect to the Notes which relate to exceptions provided for under the U.S. Investment Company Act of 1940, as amended, prohibit transfer except as provided by the transfer restrictions under "Notice to Investors". As such, the Notes may only be transferred to people outside the United States purchasing in offshore transactions pursuant to Regulation S under the U.S. Securities Act or to "qualified institutional buyers" within the United States purchasing in reliance on Rule 144A.

No purchase of the Notes will be permitted by any Benefit Plan Investor (as defined in "Certain Considerations for Employee Benefit Plans and Other Retirement Arrangements"); however, purchase of the Notes will be permitted by an "insurance company general account" within the meaning of U.S. Department of Labor Prohibited Transaction Class Exemption 95-60 (an "Insurance Company General Account") that represents and covenants that for so long as it holds Notes, less than 25% of its assets will be comprised of the assets of Benefit Plan Investors and that its purchase and holding of such Notes will not constitute or result in a nonexempt prohibited transaction under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 4975 of the Internal Revenue Code of 1986 as amended ("the Code"). Plans subject to any substantially similar applicable state, local or other law ("Similar Laws") and entities whose underlying assets are considered to include "plan assets" (within the meaning of Regulations promulgated by the United States Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA ("the Plan Assets Regulation) of any such plan, account or arrangement (each, a "Non-ERISA Plan") may generally purchase Notes subject to the considerations discussed below. In the event that a Benefit Plan Investor or any person acting on any Benefit Plan Investor's behalf purchases, acquires or holds the Notes without meeting these requirements, the purported purchase, transfer or holding will be void and, if such purchase or transfer is not treated as being void for any reason, the Notes will be automatically transferred to a charitable trust for the benefit of a charitable beneficiary and the purported holder will acquire no right in the Notes. These restrictions are described in "Notice to Investors" and "Certain Considerations for Employee Benefit Plans and Other Retirement Arrangements".

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream.

Interests in the global notes will trade in book-entry form only, and the Notes in definitive registered form ("Definitive Registered Notes"), will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners of the Notes. The common depositary, or its nominee, for Euroclear and Clearstream will be the sole registered holder of the global notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the Notes will be made to Citibank, N.A., London Branch, as Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until Definitive Registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. Please see "Book-Entry, Delivery and Form".

There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment-grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of Notes, regardless of our prospects and financial performance. As a result, there may not be an active trading

market for the Notes. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

Although the Issuer will use its reasonable best efforts to have the Notes listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof within a reasonable period after the Issue Date and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become, or remain, listed. If the Issuer can no longer maintain the listing on the Official List of the Irish Stock Exchange and the admission to trading on the Global Exchange Market thereof or it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Irish Stock Exchange. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Irish Stock Exchange, failure to be approved for listing or the delisting of the Notes from the Official List of the Irish Stock Exchange or another listing exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

THE ISSUER

The Issuer, Numericable Finance & Co. S.C.A., is an independent, stand-alone special purpose securitization vehicle whose principal purpose is to issue notes, such as the Existing Notes and the Notes, and to acquire, with the proceeds therefrom, loans made to Ypso France, such as the Additional C1 Facility Loan and the Additional C2 Facility Loan. The Issuer is not affiliated with Ypso France and does not belong to the Group. The Issuer has not conducted any operations or incurred any material liabilities since its inception (other than in connection with the offering of the Existing Notes and the acquisition of the Additional C1 Facility Loan), has no subsidiaries and conducts no significant business or activities other than the issuance of debt securities and compliance with its obligations under the Existing Indenture and the Additional C1 Facility Loan. The Issuer's only income will be the amounts received under the Additional C1 Facility Loan and the Additional C2 Facility Loan, which are its only material assets available to meet the claims of the holders of the Existing Notes and the Notes, respectively. Consequently, the Issuer's ability to service the Notes is dependent on payments received from Ypso France under the Additional C2 Facility Loan. Please see "Risk Factors—Risks Relating to the Notes and the Additional C2 Facility Loan—The Issuer is an unaffiliated special purpose vehicle with no assets other than its interest in the Additional C1 Facility Loan and the Additional C2 Facility Loan and cash in its bank accounts to meet its obligations under the Existing Notes and the Notes, respectively".

The Notes will be offered by the Issuer on a limited recourse basis. Please see "Risk Factors—Risks Relating to the Notes and the Additional C2 Facility Loan—The Issuer is an unaffiliated special purpose vehicle with no assets other than its interest in the Additional C1 Facility Loan and the Additional C2 Facility Loan and cash in its bank accounts to meet its obligations under the Notes" and "Risk Factors—Risks Relating to the Notes and the Additional C2 Facility Loan—The Issuer is incorporated as an unregulated securitization company (*société de titrisation*)". The holders of the Notes will not have a direct claim against the cash flow or assets of Ypso France and any of its subsidiaries and neither will Ypso France Nor any of its subsidiaries have any direct obligation to holders of the Notes to pay amounts due under the Notes. The Issuer will also be dependent on payments by Ypso France pursuant to the Issuer's rights under the Additional C2 Facility Loan.

The Issuer was established on January 31, 2012, as an unregulated securitization company in the form of a corporate partnership limited by shares (*société en commandite par actions*) under the laws of Luxembourg.

The registered office of the Issuer is located at 13-15 Avenue de la Liberté, L-1931 Luxembourg, and the Issuer is registered with the Luxembourg Register of Commerce and Companies under registration number B166.649. The issued share capital of the Issuer is set at €31,000 divided into 30,999 ordinary shares (*actions de commanditaire*) and one management share (*action de commandité*) with a par value of €1 each, all of which have been issued and fully paid up.

The Issuer's Shareholders

All of the issued ordinary shares of the Issuer are held by the Limited Partner and the General Partner, and the management share is held by the General Partner. The Issuer's ordinary shares are pledged in favor of the Notes Security Agent.

The Issuer's powers are limited pursuant to its articles of association. The powers include, among other things, raising money whether by way of the issuance of listed notes or otherwise, granting security over all or part of its assets, investing and managing financial assets including, without limitation, making loans to the Group, as well as other activities relating to the issuance and servicing of the Existing Notes and the Notes.

In addition, the Issuer will, as part of the issuance of the Notes, enter into various transaction documents, including security documents pursuant to which it will, among other things, limit its activities to those envisaged by the transaction documents and prohibit the transfer of shares to any party other than the Limited Partner and the General Partner.

The Issuer's Management

The Issuer has a General Partner, Numericable Finance S.à r.l., which is appointed in the articles of association of the Issuer.

The General Partner, Numericable Finance S.à r.l., was incorporated on January 31, 2012, as a private limited liability company (*société à responsabilité limitée*) under the laws of Luxembourg. The registered office of the General Partner is located at 13-15 Avenue de la Liberté, L-1931 Luxembourg, and registered with the Luxembourg Register of Commerce and Companies under registration number B166.621. The issued share capital of the General Partner is €12,500 divided into 12,500 shares with a nominal value of €1 each, all of which have been issued and fully paid up.

USE OF PROCEEDS

We expect the net proceeds from the sale of the Notes to be €497.25 million. The Issuer expects to use the proceeds from the Offering to sub-participate in, and subsequently acquire, the Additional C2 Facility Loan made on the Loan Funding Date by the Lending Bank to Ypso France. Ypso France will use the proceeds from the Additional C2 Facility Loan, after deducting certain expenses related to the Offering and the Refinancing to be paid by, or reimbursable by, Ypso France, to refinance €490.0 million of debt outstanding under the Bank Facilities, including:

- €26.9 million under Facility A;
- €390.0 million under Facility B;
- €58.7 million under Facility C; and
- €14.4 million under our capital investment facilities.

The fees and transaction costs incurred or reimbursable by Ypso France in connection with the Offering and the Refinancing are expected to amount €7.25 million. A portion of such fees and transaction costs will be deducted from the proceeds of the Additional C2 Facility Loan made available to Ypso France.

CAPITALIZATION

The following table sets forth, in accordance with IFRS, Ypso France's consolidated cash and cash equivalents and indebtedness as of June 30, 2012 on an actual basis and as adjusted to give effect to the Offering and the use of proceeds therefrom, including the Refinancing, as if such transactions had occurred on June 30, 2012.

You should read the following table in conjunction with "Use of Proceeds", "Operating and Financial Review and Prospects", "Description of Other Indebtedness" and the financial statements and related notes thereto included elsewhere in this offering memorandum.

	As of June 30, 2012		
	Actual	**Adjustments[1]**	**As Adjusted**
		(Unaudited) (in € thousands)	
Cash and cash equivalents[2]	**4,197**	**—**	**4,197**
Financial debt (including current portion):			
Facility A1	39,334	(11,644)	27,690
Facility A2	51,272	(15,237)	36,035
Facility B1	446,899	(390,000)	56,899
Facility B2	730,973	—	730,973
Facility C1	203,944	(58,736)	145,208
Facility C2	469,099	—	469,099
Capital Investment Facility 1	14,785	(4,258)	10,527
Capital Investment Facility 2	35,159	(10,126)	25,033
Additional Revolving Facility	—	—	—
Additional C1 Facility Loan	360,200	—	360,200
Additional C2 Facility Loan	—	500,000	500,000
Senior Facility Agreement[3]	**2,351,665**		**2,361,665**
Finance leases	20,189	—	20,189
Other liabilities	2,934	—	2,934
Total financial debt	**2,374,788**		**2,384,788**
Customer deposits[4]	40,484		40,484
Total third-party debt[5]	**2,415,272**		**2,425,272**
Shareholder debt[6]	174,563		174,563
Perpetual subordinated notes[7]	34,027		34,027
Total debt	**2,623,862**		**2,633,862**

(1) The principal amount of the Bank Facilities to be repaid with the proceeds of the Offering in accordance with the terms of the Senior Facility Agreement and does not include accrued interest and break costs, if any, that may be payable in connection with such repayment.

(2) Cash available at bank and in hand and short-term deposits with an original maturity of three months or less. We do not expect to use cash at hand in connection with the Offering or the Refinancing. Please see "Use of Proceeds".

(3) The actual amount repaid under our Senior Facility Agreement will vary depending on the date of issuance of the Notes, due to the impact of capitalized interest on our overall indebtedness under the Senior Facility Agreement. The amount outstanding under the Senior Facility Agreement is shown before deduction of effective interest rate adjustment (€24.0 million as of June 30, 2012) and does not include accrued cash interest and commitment fees (€17.4 million as of June 30, 2012).

(4) Represents deposits by customers renting set-top boxes and broadband routers, which are repayable to customers who return such devices in good functioning order at the end of their contracts.

(5) Includes current portion of third-party debt.

(6) For a description of shareholder debt, please see "Description of Other Indebtedness—Shareholder Financing" and "Description of Other Indebtedness—Perpetual Subordinated Notes".

(7) For a description of our perpetual subordinated notes, please see "Description of Other Indebtedness—Perpetual Subordinated Notes".

SELECTED FINANCIAL INFORMATION AND OTHER DATA

The following tables present our selected financial information and other data as of and for the periods ended on the dates indicated below.

Our selected financial information as of and for the years ended December 31, 2009, 2010 and 2011 has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2009, 2010 and 2011 included elsewhere in this offering memorandum. Such financial information was prepared in accordance with IFRS and was audited by Deloitte & Associés, independent auditors.

Our selected financial information as of and for the six months ended June 30, 2011 and 2012 has been derived from our unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2011 and 2012 prepared in accordance with IAS 34 "Interim Financial Information", the IFRS standard applicable to interim reporting and included elsewhere in this offering memorandum. It has not been audited.

Our selected unaudited financial information for the twelve months ended June 30, 2012 has been derived by adding our financial information for the year ended December 31, 2011 to our financial information for the six months ended September 30, 2012 and subtracting our financial information for the six months ended June, 2011. Our selected unaudited financial information for the twelve months ended June 30, 2012 has been prepared for illustrative purposes only and is not necessarily representative of our results for any future period or our financial condition at any such date. Such compilation has not been audited.

The following table should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the related notes thereof as of and for the years ended December 31, 2009, 2010 and 2011 and our unaudited interim condensed consolidated financial statements as of June 30, 2012, and for the six months ended June 30, 2011 and 2012 included in this offering memorandum. The table should also be read together with "Operating and Financial Review and Prospects". Our historical results do not necessarily indicate results that may be expected in the future.

	Year ended December 31,			Six months ended June 30,		Twelve months ended June 30,
	2009	2010	2011	2011	2012	2012
					(Unaudited)	
			(in € thousands)			
Income Statement:						
Revenue by business line						
Digital	668,327	665,380	660,383	335,822	325,188	649,749
White Label	9,066	26,797	53,803	22,591	34,662	65,874
Analog	91,788	69,527	51,139	28,229	19,550	42,460
Bulk	79,508	75,100	69,964	35,176	35,668	70,456
Wholesale	8,120	10,616	29,837	7,384	21,255	43,708
Revenue	**856,809**	**847,420**	**865,126**	**429,202**	**436,323**	**872,247**
Purchases and subcontracting services	(181,080)	(184,230)	(190,348)	(89,316)	(93,609)	(194,641)
Staff costs and employee benefits expense	(72,964)	(76,440)	(75,042)	(37,145)	(37,490)	(75,387)
Taxes and duties	(28,190)	(21,764)	(19,603)	(9,515)	(10,173)	(20,261)
Provisions	(10,675)	(16,713)	(5,252)	(6,149)	(241)	656
Other operating income	26,898	46,641	60,189	38,275	32,962	54,876
Other operating expenses	(166,930)	(189,337)	(209,737)	(98,579)	(108,261)	(219,419)
EBITDA	**423,868**	**405,577**	**425,333**	**226,774**	**219,511**	**418,070**
Depreciation and amortization	(228,772)	(225,916)	(205,527)	(98,984)	(97,239)	(203,782)
Operating income	**195,094**	**179,661**	**219,806**	**127,790**	**122,273**	**214,289**
Financial income	74,144	528	791	385	1,275	1,681
Interest relative to gross financial debt	(192,354)	(150,143)	(151,191)	(76,702)	(84,513)	(159,002)
Financial expense	(19,649)	(972)	(5,532)	(1,519)	(13,120)	(17,133)
Finance costs, net	**(137,859)**	**(150,587)**	**(155,933)**	**(77,836)**	**(96,357)**	**(174,454)**
Income tax expense	(7,974)	(3,839)	(10,943)	1	—	(10,942)
Share in net income (loss) of equity affiliates	190	368	(310)	(123)	(93)	(280)
Net income (loss) from ongoing activities	**49,451**	**25,603**	**52,621**	**49,831**	**25,822**	**28,612**
Net income from discontinued operations/assets held for sale	15,519	31,237	126,060	128,842	—	(2,782)
Net income (loss)	**64,971**	**56,840**	**178,681**	**178,673**	**25,822**	**25,830**
Attributable to equity holders of the Group	65,056	57,081	178,482	178,410	25,758	25,830
Attributable to non-controlling interests	(85)	(241)	199	263	64	—

	As of December 31,			As of June 30,
	2009	2010	2011	2012
				(Unaudited)
	(in € thousands)			
Balance Sheet Data:				
Goodwill	1,194,728	984,533	984,534	984,581
Other intangible assets	320,045	352,122	304,669	278,821
Property, plant and equipment	1,168,774	1,038,930	1,082,105	1,119,615
Share in net assets of equity affiliates	3,969	3,886	3,577	3,483
Other non-current financial assets	6,139	4,712	5,083	4,755
Non-current assets	**2,693,655**	**2,384,183**	**2,379,967**	**2,391,256**
Cash and cash equivalents	30,695	14,713	34,485	4,197
Other current assets	400,188	260,908	298,267	342,806
Total assets	**3,124,538**	**2,930,358**	**2,712,719**	**2,738,259**
Total equity	**(759,069)**	**(702,679)**	**(536,604)**	**(510,740)**
Non-current portion of financial liabilities	3,030,850	2,683,009	2,463,738	2,533,382
Other non-current liabilities	46,959	71,252	73,570	76,086
Non-current liabilities	**3,119,950**	**2,798,611**	**2,595,768**	**2,668,993**
Current portion of financial liabilities	142,613	183,227	163,149	83,821
Trade payables and other current liabilities	619,929	439,005	484,400	495,510
Current liabilities	**763,657**	**622,996**	**653,555**	**580,005**
Total equity and liabilities	**3,124,538**	**2,930,358**	**2,712,719**	**2,738,259**

	Year ended December 31,			Six months ended June 30,		Twelve months ended June 30,
	2009	2010	2011	2011	2012	2012
					(Unaudited)	
	(in € thousands)					
Cash Flow Data:						
Net cash provided (used) by operating activities before changes in working capital, finance costs and income tax capital	290,665	217,267	257,371	131,730	120,303	245,944
Net cash provided (used) by operating activities	473,195	414,627	435,551	238,233	175,829	373,147
Net cash provided (used) by investing activities	(364,818)	(174,279)	(173,032)	(86,778)	(95,591)	(181,845)
Net cash provided (used) by financing activities	(122,360)	(267,871)	(402,660)	(263,132)	(110,527)	(250,055)

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis is intended to assist in providing an understanding of our financial condition, changes in financial condition and results of operations. It should be read in conjunction with our financial statements and the related notes thereto included elsewhere in this offering memorandum. The following discussion contains certain forward-looking statements that reflect our plans, estimates and beliefs. Our results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this offering memorandum, including the sections entitled "Risk Factors" and "Forward-Looking Statements".

Overview

We are the sole cable operator in France. We are a leading provider of television and broadband Internet services in our network area in France. We primarily offer triple- and quadruple-play packages, which include television, broadband Internet and fixed-line telephony services and, in the case of quadruple-play packages, mobile telephony services. We also sell triple-play packages under our White Label offering to third-party operators (Bouygues, Darty and Auchan), who resell them under their own brand names. We also offer analog television services to residential customers, bulk digital services to multiple-dwelling unit managers and infrastructure-based services to other telecommunications operators. As of June 30, 2012, we served approximately 1.3 million direct residential subscribers, as well as approximately 246,000 White Label end-users and approximately 1.8 million bulk customers.

We believe that our cable network is one of the most technologically advanced in Europe. It utilizes hybrid fiber and coaxial cable and is fiber-rich, which gives it inherent capacity, speed and quality advantages compared to copper-based DSL networks. Our cable network is deployed in more than 90% of French cities of over 100,000 inhabitants and is one of the two core end-to-end networks with extensive local loop infrastructure in France, the other being owned by France Telecom-Orange. As of June 30, 2012, our network connected over 9.8 million, or approximately 35% of, French homes, including approximately 4.6 million homes connected to our EuroDocsis 3.0-enabled network by an FTTB connection, approximately 3.8 million homes connected to our EuroDocsis 2.0-enabled network and 1.5 million homes connected to our standard coaxial cable network without bi-directional capability. The part of our network that uses EuroDocsis 3.0 technology currently provides a maximum download speed of 200 Mbits/s, which is the highest available in France on a large scale and allows our customers to connect several devices (such as computers, tablets and smartphones) simultaneously without impairing the quality of television signals or the speed and quality of the Internet connection. We believe this download speed gives us an advantage over our competitors. The part of our network that uses EuroDocsis 2.0 technology provides a maximum download speed of 30 Mbits/s, which, we believe, is higher than our DSL competitors. Both the EuroDocsis 3.0 and the EuroDocsis 2.0 technologies enable us to offer our customers interactive services requiring large bandwidths, including HDTV and 3D-TV. We believe that the picture quality of our television product, especially for HDTV channels, is superior to that of the IPTV technology used by our competitors and that this will become an increasingly important differentiator, especially for customers with wide-screen television sets. The part of our network that uses standard coaxial cable allows us to provide television services. Our overall network, which is comprised of a combination of networks we inherited from French cable operators we acquired and the network of our affiliate Completel, is operated as a single network pursuant to several long-term IRUs with Completel and France Telecom-Orange and various agreements with public authorities.

Numericable was formed through the consolidation of numerous French cable operators, including Numericable, Noos and Est Video Communication, which was completed in 2005 and 2006. Our predecessor companies were offering predominantly only television services and had not yet commenced the commercial offering of broadband Internet services. We subsequently focused on

integrating our customer offers and back-office functions, which resulted in Numericable growing less strongly than other European cable operators, and upgrading our networks to offer triple-play services. Following the full integration, we have focused since 2009 on our triple-play offer and migrating analog and digital video-only customers to multi-play packages. We also added White Label services to increase our market penetration. The success of our multi-play strategy is demonstrated by the increase in the number of customers that subscribe to our digital multi-play products (from approximately 850,000 customers as of December 31, 2009 to approximately 942,000 as of June 30, 2012) and the decrease in the number of customers that subscribe to our stand-alone digital pay-television offering (from approximately 356,000 customers as of December 31, 2009 to 242,000 as of June 30, 2012).

For the six months ended June 30, 2012, our revenue was €436.3 million, a 1.7% increase over the six months ended June 30, 2011; our EBITDA was €219.5 million, a 3.2% decrease over the six months ended June 30, 2011; and our ARPU generated by direct digital subscribers was €41.0 per month for the three months ended June 30, 2012, a 1.7% increase over the three months ended December 31, 2011. For the year ended December 31, 2011, our revenue was €865.1 million, a 2.1% increase from the year ended December 31, 2010; and our EBITDA was €425.3 million, a 4.9% increase from the year ended December 31, 2010.

We provide the following services to our customers:

Residential Digital Services. We provide television, broadband Internet, fixed-line telephony and mobile telephony services to residential subscribers and small businesses. We primarily offer triple- and quadruple-play packages which enable subscribers to conveniently subscribe to television, broadband Internet and fixed-line telephony services and, in the case of quadruple-play packages, mobile telephony services, together at attractive prices. We market our triple- and quadruple-play services aggressively and although our focus is now on providing our existing and new customers with multiple-play services, we continue to offer stand-alone television, broadband Internet, fixed-line telephony and mobile telephony services to our existing customers.

Triple- and quadruple-play. As of June 30, 2012, subscribers to our triple- and quadruple-play offerings represented approximately 63% of our direct digital subscribers and approximately 58% of our overall direct subscribers (calculated, in each case, excluding our White Label end-users). The quality of our triple-play offering was recognized by 01net, which ranked us first in terms of overall service quality both in Paris and in France generally in June 2012. On May 15, 2011, we launched our quadruple-play offering, capitalizing on our MVNO agreements with Bouygues Telecom. We believe it has proven successful, with an increasing portion of our new customers subscribing to quadruple-play offers.

Television. Our television offering is available at prices similar to those of our competitors and includes 200 to 320 digital television channels, including up to 37 HDTV channels. We believe that our television services are among the most attractive in the French market, with (i) higher picture quality and more HDTV channels than our DSL competitors, (ii) interactive functionalities such as video-on-demand (VOD) and catch-up television, and (iii) innovative features such as 3D-TV. We also offer customers in our network area the opportunity to subscribe to packages of channels with different themes, such as sports and drama. The quality of our television offering was recognized by *L'Observatoire de la Haute Définition* (a report on HD published by specialist consultancy firm NPA Conseil) and *Mediatvcom*, each of which ranked us first in France for the quality of our HDTV offering in 2010 and 2011.

Broadband Internet. Our broadband Internet offering provides download speeds of up to 200 Mbits/s in our EuroDocsis 3.0 network areas and up to 30 Mbits/s in our EuroDocsis 2.0 network areas, which we believe are higher than those offered by our DSL competitors for similar prices and makes our offering one of the most attractive in the French market. The high quality of our broadband

Internet offering is confirmed by NetIndex.com, a website anonymously compiling global Internet speed data, which ranked us first in France in terms of speed over the period from April 2010 to October 2012.

Fixed-line telephony. Our fixed-line telephony services, which use VoIP technology, offer our subscribers unlimited local and national fixed-line telephone calls, unlimited telephone calls to selected foreign countries and a variety of value-added telephony features.

Mobile telephony. We believe that our mobile telephony services, which we provide under our MVNO agreements with Bouygues Telecom, provide our customers with one of the best value-for-money mobile telephony offerings in France with unlimited national calls to both fixed and mobile telephones, unlimited text messaging and unlimited national data access. We do not currently offer free or subsidized handsets, and do not intend to do so. In January 2012, following Free's entry into the mobile telephony market with an unlimited offer at €19.99 per month, we launched a new mobile telephony offering at €19.99 per month to new and existing customers, which includes unlimited calls in France and 40 international destinations in Europe and North America, unlimited text messages and up to 3 GB of mobile Internet. Customers of our new offering do not have to contract to a tie-in period. Our new plan is the only unlimited mobile service at this price available in stores, with personal customer service, unlike Free and other operators' low-cost brands, whose offerings are available only online.

As of June 30, 2012, we provided multiple-play packages to approximately 942,000 subscribers, an increase of 2.0% from June 30, 2011 and provided stand-alone digital television to approximately 242,000 subscribers, a decrease of 16.4% from June 30, 2011. Our residential digital services generated €325.2 million, representing 74.5% of our total revenues for the six months ended June 30, 2012.

White Label Services. We provide White Label triple-play services to leading French retailers Darty and Auchan and telecommunications operator Bouygues Telecom under long-term contracts, allowing them to sell triple-play packages under their own brands to their own subscribers. Our White Label services are tailored to the needs and requirements of each of our customers. They include television content and broadband Internet access, as well as the products and services that each retailer or operator prefers to source from us, such as fixed-line telephony services for our customers who do not own a telephony network, set-top boxes, maintenance, customer care and billing. Our White Label offering has been a key component of our growth since 2009 and we expect it to be an important part of our business in the future. As of June 30, 2012, we provided White Label triple-play services to approximately 246,000 end-users, an increase of 69.0% from June 30, 2011. Our White Label services generated €26.8 million of revenues in the year ended December 31, 2010, €53.8 million in the year ended December 31, 2011 and €34.7 million in the six months ended June 30, 2012, representing 7.9% of our revenues for the six months ended June 30, 2012. We believe that each White Label customer makes an economic contribution to our overall profitability similar to that of an individual digital customer.

Bulk Services. We offer a basic triple-play package to building managers, which includes a basic digital television package of 48 channels, 30 radio channels, unlimited broadband Internet access up to 2 Mbits/s and unlimited inbound fixed-line telephone calls, as well as basic television services, for a fixed subscription fee per apartment, irrespective of whether our services are actually used by the residents. Our bulk offering gives us the opportunity to up-sell to residents some of the individual digital packages we otherwise offer. We typically enter into long-term contracts of five years for the supply of our bulk services. Our bulk services generated €35.7 million, representing 8.2% of our total revenues, for the six months ended June 30, 2012.

Analog Services. We continue to provide analog television services to approximately 117,000 individual subscribers as a legacy product offering. The transition in France from analog to digital

television broadcasting was completed in November 2011. DTT allows the public to receive a free television package that is comparable to our analog package. In response, we have developed targeted promotional triple-play offers to migrate certain of our existing analog customers to digital television. Our analog services generated €19.6 million, representing 4.5% of our revenues for the six months ended June 30, 2012. We do not expect to continue offering our analog services in the long term.

Wholesale Services. We provide infrastructure-based wholesale services, including IRUs, resale of bandwidth capacity on our network and related maintenance services to other telecommunications operators. Our wholesale services generated €21.3 million, representing 4.9% of our revenues for the six months ended June 30, 2012.

Significant Factors Affecting Results of Operations

Our operations and the operating metrics discussed below have been, and may continue to be, affected by certain key factors as well as certain historical events and actions. The key factors affecting the ordinary course of our business and our results of operations include (i) the introduction of new products and services, including our triple- and quadruple-play packages, new digital television pay services and higher broadband Internet access speeds, (ii) the migration of our customers from analog television services to digital services, (iii) changes in our pricing, (iv) customer churn, (v) our cost structure and our cost optimization programs, and (vi) network upgrades and maintenance. Each of these factors is discussed in more detail below.

New Products and Services

We offer subscribers within our network area television, broadband Internet, fixed-line telephony and mobile telephony services. We frequently upgrade our product offerings and service quality, notably by increasing broadband Internet speeds and expanding our digital television offering and the range of interactive services that we offer, in order to stay competitive, attract new customers, retain existing customers and increase ARPU. Upgrading our offers by adding new television channels and new television applications and increasing our bandwidth were the primary drivers of an increase of ARPU from direct digital subscribers from €38.9 per month for the year ended December 31, 2010 to €41.0 per month for the three months ended June 30, 2012.

The most recent products and services we launched are summarized below. For a more detailed description of our products and services, please see "Business—Our Services".

La Box

In January 2012 we launched "La Box", an integrated set-top box and cable router that we offer to our Power and Power+Family customers. We believe that La Box is one of the most powerful and interactive set-top boxes on the French market. It can deliver (i) the Internet, at download speeds of up to 200 Mbits/s, and upload speeds of up to 10 Mbits/s to homes that are connected to a EuroDocsis 3.0 cable network, and at 30 Mbits/s or 100 Mbits/s to other homes, and a Wi-Fi connection of up to 300 Mbits/s; (ii) digital television services, with over 300 television channels (including Cine+, all Disney channels, all music channels from MTV, National Geographic, Planete+, Eurosport and ESPN America HD); and (iii) fixed-line telephony, with two telephone lines and unlimited calls to all of mainland France. This new set-top box and cable router has four tuners that allow subscribers to record two television programs simultaneously while watching a third television program, as well as watch different channels in different parts of a house. Television can also be streamed to different kinds of screens such as tablets and mobile devices. It has a four-tuner HD and 3D capability and also includes an 802.11n Wi-Fi router, a removable blu-ray reader, and a removable 160 GB PVR or optional 500 GB PVR which allows it to hold over 110 hours of high definition or approximately 280 hours of standard definition ("SD") programming. Additional features include an optional Blu-Ray DVD player,

access to social networking features such as Facebook and Twitter on television and a VOD price comparison engine and intelligent content search. La Box costs us approximately €200 per unit but we are able to pass on a charge of €75 to our customer by way of a deposit charge. As a result, the cost that we incur for each unit of La Box is similar to the cost that we incurred for our previous generations of set-top boxes.

Triple-Play Packages

In May 2010, we launched several new triple-play packages with additional content and new pricing. Since 2005, customers of media and communications services have increasingly chosen triple-play packages because of the convenience and cost savings that result from acquiring television, broadband Internet and telephony services from a single provider for an all-in price. We believe that our introduction of triple-play packages has been a key factor in our success in attracting new subscribers and retaining existing subscribers. As of June 30, 2012, approximately 942,000 subscribers, or approximately 63% of our total direct digital subscribers, subscribed to one of our multiple-play packages. Migration of subscribers from stand-alone television offerings to triple-play packages had a negative impact on ARPU from 2007 to 2009 because triple-play packages typically generated lower ARPU than stand-alone legacy pay-television packages due to intense pricing competition in that segment of the market. We believe that the price increases we were able to implement in early 2011 with respect to our triple-play packages have started to reverse this trend. Please see "—Pricing".

The table below shows the evolution of our customer-base ARPU and gross-adds ARPU for the three-month periods starting from the three months ended December 31, 2010 to the three months ended June 30, 2012. Although our customer-base ARPU was historically higher than our gross-adds ARPU, since the three-month periods ended June 30, 2011, our gross-adds ARPU has been higher than our customer-base ARPU as illustrated by the chart below. The operational data relating to gross-adds ARPU and customer-base ARPU presented below reflect ARPU from our direct digital subscribers only.

	Three months ended December 31, 2010	Three months ended March 31, 2011	Three months ended June 30, 2011	Three months ended September 30, 2011	Three months ended December 31, 2011	Three months ended March 31, 2012	Three months ended June 30, 2012
				(in €)			
Customer-base ARPU	38.9	40.1	40.6	40.4	40.3	40.4	41.0
Gross-adds ARPU	37.2	39.3	41.2	43.1	42.0	41.1	43.4

White Label

We launched our White Label offering in 2008, when we entered into our first White Label agreement with French retailer Darty. In 2009, we entered into White Label agreements with French retailer Auchan and with telecommunications operator Bouygues Telecom. Our White Label offering has been a major component of our growth since 2009 and we expect it to be an important part of our business in the future. It allows us to optimize the use of our network on economic terms that are similar to those we achieve in our branded business, with lower prices per end-user compensated for by lower costs. We believe our White Label strategy has been a key factor in generating one of the highest EBITDA margins among major European cable operators. Our White Label business generated €26.8 million of revenues in the year ended December 31, 2010, €53.8 million in the year ended December 31, 2011 and €34.7 million in the six months ended June 30, 2012. Through our White Label offering, we provided triple-play services to approximately 246,000 end-users as of June 30, 2012. For a description of our White Label agreements, please see "Business—Material Contracts—White Label Contracts".

Quadruple-Play Package

On May 15, 2011, we launched our quadruple-play offering, capitalizing on our MVNO agreements with Bouygues Telecom, in order to respond to the developing trend in France to purchase television, broadband Internet, fixed-line telephony and mobile telephony services from a single provider. We believe that our mobile telephony offer, which includes unlimited national calls (both to fixed-line and mobile telephones), unlimited text messaging and unlimited national data access, is the best value-for-money quadruple-play offering in France. As of June 30, 2012, we had 53,985 quadruple-play subscribers. MVNO mobile telephony services are usually characterized by lower margins than television and broadband Internet services. As a result, we expect our EBITDA margins to slightly decrease in the short term while the proportion of quadruple-play subscribers in our customer base increases. However, we expect that the mobile services element will be marginally profitable for us.

Additional Digital Pay-Television Services

Approximately 91% of our customer base had access to our digital services as of June 2012. The percentage of our total subscribers who subscribe to our digital television services has continuously increased over the past several years, from 70% as of December 31, 2007 to 90% as of June 30, 2012. Customers who subscribe for digital services tend to generate a higher ARPU due to the additional services that are available to them, such as VOD and additional pay-television channel packages. We frequently update our digital pay-television offerings in order to stay competitive and encourage customers to migrate to digital and thereby increase our ARPU. In the year ended December 31, 2010, VOD revenues represented €9.0 million, and represented €10.0 million in the year ended December 31, 2011. We expect this growth to continue in the future, although at a slower pace.

Public–Private Partnership

A consortium led by Numericable, which includes Eiffage, a French construction company, and LD Collectivités, a telecommunications infrastructure subsidiary of SFR, was selected in 2007 by the Hauts-de-Seine District (*département*), an affluent district adjacent to Paris that includes major business centers such as the La Défense area, to plan, deploy and operate an FTTH very-high-speed fiber network throughout the district under a *délégation de service public* ("DSP"), called DSP 92. A DSP is a form of public–private partnership under French law pursuant to which a public authority entrusts private entities to operate a public service in return for remuneration that is based on the results of operations of the service in question. In 2008, we created Sequalum, a joint venture with Eiffage and LD Collectivités, which is in charge of DSP 92. We currently own 95% of the share capital of Sequalum. Sequalum began fiber deployment in October 2009 and the first customers were connected in 2010.

Sequalum's investment in the project equals €400 million, including €59 million of subsidies provided by the Hauts-de-Seine District and mandatory co-investments by the operators who elect to have access to the relevant buildings. Pursuant to DSP 92, Sequalum benefits from a 25-year concession to operate the relevant fiber network. The Sequalum network, when fully deployed, will cover 100% of the territory of Hauts-de-Seine, via 2,600 kilometers of fiber cables, and reach 827,900 apartments and offices. It is open to all retail telecommunications operators for a fee per connected household. Sequalum also charges fees for various services rendered to operators, such as the connection and disconnection of plugs, network capacity increases and the maintenance of the network, and sells capacity on its network to wholesale telecommunications operators. The access fees charged to retail telecommunications operators in the portion of Hauts-de-Seine that is classified as a "very dense area" by the ARCEP are regulated by the ARCEP. Other fees charged by Sequalum are not regulated by the ARCEP. Please see "Regulation". Sequalum had revenues of €2.9 million for the year ended December 31, 2011.

We expect to bid for additional public–private partnerships similar to DSP 92 in the future.

Migration to Digital Services

As of June 30, 2012, we continue to provide analog television services to approximately 117,000 individual subscribers as a legacy product offering. In 2005 the European Commission recommended that EU members cease analog terrestrial television transmission and switch to DTT by January 1, 2012. In October 2008 the "France Digital Plan 2012" was enacted to promote the development of the digital economy in France, after which the deployment of DTT in France rapidly expanded. Full transition to DTT broadcasting was completed in November 2011. We are not prohibited from providing analog cable television services and intend to continue providing such services until demand decreases to a level that is not economically viable. The emergence of DTT constitutes a severe threat to our analog television business because DTT allows the public to receive a free television package that is comparable to our pay analog package. In response, we have developed targeted triple-play offerings to migrate certain of our existing analog customers, who are within our digitally upgraded network, to digital television. Our analog television subscriber base decreased from approximately 263,000 subscribers as of December 31, 2009 to approximately 117,000 subscribers as of June 30, 2012, and we expect it to further decrease in the coming years and to disappear in the near future. As a result, our revenue from analog television services decreased from €91.8 million for the year ended December 31, 2009 to €42.5 million for the twelve months ended June 30, 2012, and we expect it to further decrease in line with the erosion of our analog subscriber base.

Pricing

For several years, the French triple-play market was structured around offers at €30 per month. This had a negative impact on our results of operation, as customers migrated from our "TV-only" offers generally priced at €40 per month to triple-play packages priced at €30 per month. In January 2011, market players took advantage of an increase in the VAT applicable to triple-play services to increase prices. We increased the price of our basic triple-play package from €29.90 per month to €37.90 per month, and decided to keep an entry-level package, with a television offering limited to the French free DTT channels, at €29.90 per month.

In response to changing market conditions, we have made further changes to our pricing structure in 2012: we currently offer our basic triple-play package, "Start", and our entry-level package, "iStart", for €34.90 and €24.90, respectively. We also have higher priced packages, offering customers very-high-speed broadband through our fiber network. Our premium quadruple-play package, "Platinum", is priced at €97.90. We believe that our current pricing structure, together with the growth in the adoption of additional services such as VOD, will contribute to the growth of our revenue and ARPU.

Churn

The cable television, broadband Internet and telephony industries typically exhibit churn as a result of high levels of competition. Churn levels may be affected by changes in our or our competitors' pricing, our level of customer satisfaction and the relocation of subscribers outside of our network area. Increases in churn may lead to increased costs and reduced revenues. We have launched and implemented initiatives aimed at improving our customers' experience. These initiatives include enhanced CRM systems, which allow us to better manage new subscribers and identify and offer special retention packages to subscribers at risk of relocating. We believe our CRM systems contributed to a significant reduction in churn, with our annualized triple-play churn rate decreasing from 21.4% for the year ended December 31, 2009 to 18.1% for the year ended December 31, 2011. Our churn rates slightly increased in the first three months of 2011 because under French law, (customers are mandatorily given the option to terminate their subscription upon a price increase). Please see

"—Pricing" above. We expect our churn rates to remain stable in the future, with the exception of analog television, which is adversely impacted by the deployment of DTT. Our annualized stand-alone digital television churn rate increased from 15.3% for the year ended December 31, 2009 to 17.1% for the year ended December 31, 2011. Please see "—Migration to Digital Services". While we believe that this churn data presents an accurate indication of churn for the period indicated, there can be no assurance that such information is accurate. Please see "Forward-Looking Statements". For a definition of churn as it is used herein, please see "Presentation of Financial and Other Information—Operating Measures".

	Year ended December 31,			Six months ended June 30,
Product	**2009**	**2010**	**2011**	**2012**
Stand-alone digital television	15.3%	14.9%	17.1%	18.5%
Analog television	13.7%	18.4%	25.2%	16.9%
Triple-play	21.4%	16.9%	18.1%	17.7%
Overall	18.3%	17.2%	19.4%	17.9%

Cost Structure and Cost Optimization

Our most significant costs include content costs (including author rights, signal costs and royalties), payroll costs and interconnection fees.

We do not produce our own content and are dependent on broadcasters and other content providers for programming. We enter into agreements directly with author rights societies in France, including SACEM and ANGOA, broadcasters and distributors. In general, we pay license fees based on subscriber numbers to these content providers and our agreements with certain providers require us to pay minimum guarantees. We also pay royalties based on our subscribers' usage of on-demand content. Please see "Business—Material Contracts—Content Agreements" and "Business—Intellectual Property—Third-Party Copyrights". As a result, we expect that our content costs will increase along with increased sales of our digital pay-television content.

Our payroll costs depend on the number and salary levels of our full-time staff and external personnel. We believe that our current personnel levels are adequate and we do not expect to increase our personnel levels significantly in the near future.

We also outsource all of our call center customer care and a substantial portion of our sales functions (including through the franchising of a large part of our stores). The fees that we are charged by the operators of our external call centers generally depend on the level of our customer care call volume. The level of our customer care call volume may fluctuate during any given period as a result of, among other things, the introduction of new products and services that are unfamiliar to our customers or difficult to install, the quality and reliability of our services and the quality of our alternative customer support options, including our automated customer care functions on our website. The operation of a large number of our stores through franchising allows us to reduce our capital expenditures (as they are generally incurred by the franchisees), while presenting the same level operational expenditure as the stores that we operate ourselves.

We pay interconnection fees to other network operators when we connect to their networks in order to provide our voice and data services. Voice interconnection fees in France are regulated and the amount we pay in interconnection fees in any period depends on the level of usage of our services.

We also incur costs in procuring the set-top boxes that we make available to our customers.

Certain of our cost elements, such as a portion of our network operations, customer care, billing and administration costs, are relatively fixed, while a portion of our marketing and content costs are relatively variable.

We have initiated several cost-saving initiatives since 2009 that have resulted in an improvement of our cost base, despite an increase in advertising efforts over the period. Such initiatives include (i) the renegotiation of content contracts, (ii) the restructuring of our sales force, (iii) a cost reduction plan that resulted in a reduction of personnel costs by €15.0 million in 2009, and (iv) measures to reduce bad debt. We regularly review opportunities to further decrease our costs and improve our profitability.

Network Upgrades and Maintenance

Our ability to provide new HD and on-demand digital television services, broadband Internet access at ever higher speeds and telephony services to additional subscribers depends in part on our ability to upgrade our network. During each of 2009, 2010 and 2011, we deployed fiber on a substantial part of our network and upgraded it to EuroDocsis 3.0 technology, which allows us to offer our customers 200 Mbits/s broadband Internet access speeds, and better HDTV and 3D-TV services. We expect to keep deploying fiber in the coming years, based on customer needs, and at costs that we believe will be lower than those of our competitors because of our choice to opt for FTTB, rather than FTTH, technology. For a description of the technical characteristics of our network, please see "Business—Our Network—Technical Characteristics".

We carefully monitor success-based capital expenditure by applying strict investment return and payback criteria. For the year ended December 31, 2011, we incurred capital expenditure of €185.5 million, compared to €189.9 million and €189.7 million during the years ended December 31, 2010 and 2009, respectively. We incurred significant network capital expenditure (approximately €100.0 million) in 2008 as a result of our fiber roll-out. Capital expenditures returned to a normal level in fiscal years 2010 and 2011 and for the six months ended June 30, 2012, with approximately 27% of our capital expenditures relating to the network expansion, 34% relating to broadband routers, set-top boxes and installation or customer premises equipment, 10% relating to service platforms, new investments, 5% relating to wholesale and 24% relating to other miscellaneous expenditures and general investments including own work capitalized. Please see "—Capital Expenditure and Investments".

Recent Divestitures

On May 19, 2011, Ypso France and certain of its subsidiaries entered into a share purchase agreement with Coditel Holding S.A., pursuant to which we sold all the outstanding shares in Coditel Belgium and Coditel Luxembourg, the entities through which we owned our Belgian and Luxembourg cable operations, for a purchase price of €369.2 million. The sale was completed on June 30, 2011. Coditel Holding S.A. is controlled by certain financial investors, including Altice, one of our shareholders. Simultaneously with the sale, we entered into a services agreement and a trademark license agreement with Coditel Belgium to ensure the continuity of its operations. For further information, please see "Certain Relationships and Related Party Transactions—Relationships with Coditel".

We completed the disposal of Coditel Belgium and Coditel Luxembourg pursuant to our strategy to focus on the French triple- and quadruple-play markets. In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" ("IFRS 5"):

- the assets of Coditel Belgium and Coditel Luxembourg are presented separately on the face of our balance sheet as of December 31, 2010 in the line items "*Assets held for sale*" and "*Liabilities held for sale*";

- the results of Coditel Belgium and Coditel Luxembourg are presented separately in our income statement in the line item "*Net income resulting from discontinued operations*" for all the periods presented; and
- the cash flows from Coditel Belgium and Coditel Luxembourg are presented separately in the cash flow statement in the line item "*Net cash flow from discontinued operations*" for all the periods presented.

The impact of the application of IFRS 5 is further detailed in Note 27 to our financial statements as of and for the years ended December 31, 2009, 2010 and 2011, respectively, included elsewhere in this offering memorandum.

Key Operating Measures

We use ARPU to track the performance of our business. ARPU is not a measure of financial performance under IFRS, nor has ARPU been reviewed by an outside auditor, consultant or expert. ARPU is derived from management estimates. As defined by our management, ARPU may not be comparable to similar terms used by other companies. Please see "Glossary".

The following table summarizes our network's coverage, our subscriber base data, churn and ARPU as of and for the periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,
	2009	2010	2011	2012
				(Unaudited)
	(in thousands except percentages and ARPU)			
Footprint[1]				
Homes connected	9,758	9,798	9,833	9,853
Triple-play-enabled	8,240	8,299	8,368	8,402
Docsis 3.0-enabled and FTTB upgrades	3,513	4,171	4,285	4,569
Digital individual subscribers	1,267	1,275	1,238	1,218
Multiple-play	850	917	938	942
Stand-alone television	356	313	267	242
Other	61	44	34	34
White Label end-users	57	103	206	246
Total digital individual users	**1,324**	**1,378**	**1,444**	**1,464**
Analog television individual subscribers	263	195	133	117
Total individual users	**1,587**	**1,573**	**1,577**	**1,581**
Bulk subscribers	1,813	1,848	1,837	1,839
Churn—Individual subscribers	18.3%	17.2%	19.4%	17.9%
Stand-alone digital television	15.3%	14.9%	17.1%	18.5%
Analog television	13.7%	18.4%	25.2%	16.9%
Triple-play	21.4%	16.9%	18.1%	17.7%
ARPU per month—digital individual subscribers[2]		€38.9	€40.3	€40.7

(1) Operating data related to our footprint and penetration are presented as of the end of the period indicated.

(2) Operating data related to ARPU are presented in euro per month (excluding VAT) for the periods indicated. They do not reflect ARPU from White Label end-users. ARPU for the six months ended June 30, 2012 has been calculated as the arithmetical average of the ARPU for the three months ended March 31, 2012 and the ARPU for the three months ended June 30, 2012.

ARPU is a measure we use to evaluate how effectively we are realizing potential revenues from our direct digital customers. ARPU is generally calculated on a yearly and quarterly basis by dividing our total direct digital subscription-related revenue, excluding installation and carriage fees, for the period by the average number of our direct digital subscribers served in that period. Operational data related to gross-adds ARPU and customer-base ARPU presented in this offering memorandum reflect ARPU from our direct digital subscribers only.

ARPU from our direct digital subscribers was €40.7 for the six months ended June 30, 2012, compared to €40.3 for the year ended December 31, 2011. The increase in ARPU reflects increased subscriptions to our high-end digital offers. ARPU from direct digital subscribers was €38.9 for the year ended December 31, 2010, a slight decrease compared to the previous year mainly due to the adjustments that we made to adjust the pricing of our offering to the triple-play offers launched by our competitors at €30.

Key Income Statement Items

Below is a summary description of the key elements of the line items of our income statement under IFRS.

Revenue

Revenue consists of revenues from (i) our Numericable-branded residential business, primarily our digital services, our bulk services and our analog service, (ii) our White Label business, and (iii) our wholesale business.

Digital revenue consists mainly of (i) recurring monthly subscription fees for our television, broadband Internet, fixed-line telephony and mobile telephony services, whether sold on a stand-alone basis or bundled into triple- and quadruple-play packages, (ii) variable usage fees from VOD, fixed-line telephony and mobile telephony, (iii) one-time connection and disconnection fees, (iv) telephony termination fees, and (v) fees paid to us by pay-television channels, such as Canal+, for each of our customers who subscribe to their offerings.

White Label revenue consists mainly of revenue from our White Label contracts with Darty, Auchan and Bouygues Telecom. Each of our White Label customers pays us monthly fees based on the number of end-users to whom they sell our triple-play packages and the type of packages. Additional fees are payable by our customers who require additional services, such as customer care and billing.

Analog revenue consists mainly of recurring monthly subscription fees for our analog television offering, including related one-time connection and disconnection fees.

Bulk revenue consists of quarterly, semiannual and annual fees paid by multiple-dwelling units managers, including social housing associations, for the provision of basic triple-play services to the residents of their buildings. In 2010, certain contracts in eastern France came up for renewal and were repriced down, resulting in a decrease in revenue in 2010 and 2011.

Wholesale revenue consists mainly of revenue from the resale of bandwidth capacity and the provision of related maintenance services to business customers, including telecommunications companies. Depending on the nature of the services provided, revenue is either recognized immediately or spread over the term of the contract.

Purchases and Subcontracting Services

Purchases and subcontracting services consist mainly of (i) television content costs (excluding authors' rights, which are recorded under "*Other operating expenses*"), (ii) broadband Internet interconnection costs, (iii) fixed-line telephony interconnection and termination costs, (iv) fees payable

under our MVNO contracts with Bouygues Telecom, (v) utilities, including electricity, and (vi) costs of outsourced work, which primarily relates to outsourced network maintenance, installation work and call centers.

Staff Costs and Employee Benefits Expense

Staff costs and employee benefits expense include (i) wages, salaries and bonuses, statutorily required and contractual profit-sharing, social security charges and related taxes, (ii) salaried personnel pension costs and other post-employment benefits, and (iii) costs associated with the use of temporary, external and non-salaried personnel.

Taxes and Duties

Taxes and duties consist mainly of general direct and indirect taxes such as certain business taxes (*imposition forfaitaire annuelle* and *taxe professionnelle*) and the taxes implemented in replacement thereof (*cotisation sur la valeur ajoutée des entreprises* and *cotisation foncière des entreprises*), local government taxes (*taxes locales*), taxes on our vehicle fleet (*taxe sur les véhicules de société*), social security taxes (*contribution sociale de solidarité des sociétés*) and taxes on advertisement leaflets, as well as taxes applicable to telecommunications operators and television providers, such as taxes on television providers, taxes supporting the audio-visual content industry (*cotisation de soutien à l'industrie des programmes audiovisuels*) and taxes on VOD.

This line item does not include corporate income tax (*impôt sur les bénéfices*), which is recorded under the line item "*Income tax expense*".

Provisions

Provisions consist mainly of provisions for operational risks, disputes and pensions.

Other Operating Income

Other operating income consists mainly of own work capitalized (i.e., related to network projects such as public–private partnerships staffed with in-house employees) and proceeds from disposals of tangible assets.

Other Operating Expenses

Other operating expenses consist mainly of (i) network costs, including duct and pole rental and maintenance costs, (ii) authors' rights paid to authors' rights collection societies such as SACEM and ANGOA, (iii) general and administrative expenses, including postal and transportation expenses and management fees, (iv) marketing and advertisement expenses, and (v) customer relationship expenses, including depreciation of bad debt.

Depreciation and Amortization

Depreciation and amortization consists mainly of regular depreciation and amortization of non-current assets such as network assets.

Finance Costs, Net

Finance costs, net, consists of financial income less interest relative to gross financial debt and other financial expense. Financial income primarily consists of income on receivables and income on cash balances and intercompany loans, as well as profit resulting from the repurchase of debt instruments below par. Interest relative to gross financial debt primarily consists of interest expense and costs incurred in relation to financial debt and intercompany loans, as well as the cost of hedging

instruments used to hedge the floating rate interest expense on our Senior Facility Agreement. Other financial expense primarily consists of fees paid in connection with the renegotiation of our Senior Facility Agreement and related waiver fees.

Income Tax Expense

Income tax expense consists mainly of corporate income tax (*impôt sur les bénéfices*); it does not include other taxes due by us, which are recorded under the line item "*Taxes and duties*" discussed above.

Net Income from Discontinued Operations

Net income from discontinued operations consists of the net income of Coditel, which we divested in June 2011. Please see "Operating and Financial Review and Prospects—Recent Divestitures" and "Presentation of Financial and Other Information".

Results of Operations

Six Months Ended June 30, 2012 Compared with Six Months Ended June 30, 2011

This discussion is based on a comparison of the unaudited interim financial statements of Ypso France for the six months ended June 30, 2012 and 2011.

The following table sets forth, for the periods indicated, amounts relating to our results of operations, and such amounts as a percentage of our revenue.

	For the six months ended June 30,			
	2011		2012	
	€	%	€	%
	(unaudited) (€ in thousands, except percentages)			
Revenue	**429,202**	**100.0%**	**436,323**	**100.0%**
Purchases and subcontracting services	(89,316)	(20.8%)	(93,609)	(21.5%)
Staff costs and employee benefits expense	(37,145)	(8.7%)	(37,490)	(8.6%)
Taxes and duties	(9,515)	(2.2%)	(10,173)	(2.3%)
Provisions	(6,149)	(1.4%)	(241)	(0.1%)
Other operating income	38,275	8.9%	32,962	7.6%
Other operating expenses	(98,579)	(23.0%)	(108,261)	(24.8%)
EBITDA	**226,774**	**52.8%**	**219,511**	**50.3%**
Depreciation and amortization	(98,984)	(23.1%)	(97,239)	(22.3%)
Operating income	**127,790**	**29.8%**	**122,273**	**28.0%**
Financial income	385	0.1%	1,275	0.3%
Interest relative to gross financial debt	(76,702)	(17.9%)	(84,513)	(19.4%)
Other financial expense	(1,519)	(0.4%)	(13,120)	(3.0%)
Finance costs, net	**(77,836)**	**(18.1%)**	**(96,357)**	**(22.1%)**
Income tax expense	1	0.0%	—	—%
Share in net income (loss) of equity affiliates	(123)	(0.0%)	(93)	(0.0%)
Net income (loss) from ongoing activities	**49,831**	**11.6%**	**25,822**	**5.9%**
Net income resulting from assets held for sale	128,842	30.0%	—	—%
Net income (loss)	**178,673**	**41.6%**	**25,822**	**5.9%**

Revenue

Revenue increased by €7.1 million, or 1.7%, to €436.3 million for the six months ended June 30, 2012 from €429.2 million for the six months ended June 30, 2011. This increase was primarily due to a significant increase in White Label and Wholesale revenues and the stabilization of bulk revenue partly offset by a decrease in legacy digital revenue and analog revenue.

The following table sets forth, for the periods indicated, the breakdown of our revenue by business line.

	For the six months ended June 30,			
	2011		2012	
	€	%	€	%
	(Unaudited) (€ in thousands, except percentages)			
Digital revenue	335,822	78.2%	325,188	74.5%
White Label revenue	22,591	5.3%	34,662	7.9%
Analog revenue	28,229	6.6%	19,550	4.5%
Bulk revenue	35,176	8.2%	35,668	8.2%
Wholesale revenue	7,384	1.7%	21,255	4.9%
Total revenue	**429,202**	**100.0%**	**436,323**	**100.0%**

Digital revenue

Digital revenue decreased by €10.6 million, or 3.2%, to €325.2 million for the six months ended June 30, 2012 from €335.8 million for the six months ended June 30, 2011. This decrease was primarily due to first half of the year being traditionally weak in gross adds while churn is generally stable over the year. The reduction in our customer base was partly offset by a €0.35 increase in ARPU from the six months ended June 30, 2011 to the six months ended June 30, 2012.

White Label revenue

White Label revenue increased by €12.1 million, or 53.5%, to €34.7 million for the six months ended June 30, 2012 from €22.6 million for the six months ended June 30, 2011. This increase was primarily due to a 70% increase in our White Label customer base, from approximately 145,000 White Label end-users as of June 30, 2011, to approximately 246,000 White Label end-users as of June 30, 2012.

Analog revenue

Analog revenue decreased by €8.6 million, or 30.5%, to €19.6 million for the six months ended June 30, 2012 from €28.2 million for the six months ended June 30, 2011. This decrease was primarily due to a 24% decrease in our analog customer base, from approximately 153,000 analog subscribers as of June 30, 2011 to approximately 117,000 analog subscribers as of June 30, 2012, due to the OTT roll-out in France, which allows our analog subscribers to receive a free television package that is comparable to our pay-television analog offer. Despite the fact that we no longer advertise our analog offer as a result of the DTT roll-out, the reduction in our analog customer base and the related decrease in analog revenue slowed down in 2012 compared to 2011.

Bulk revenue

Bulk revenue increased by €0.5 million, or 1.4%, to €35.7 million for the six months ended June 30, 2012 from €35.2 million for the six months ended June 30, 2011. This increase was primarily due to the stabilization of our customer base and increases in tariff.

Wholesale revenue

Wholesale revenue increased by €13.9 million, or 187.9%, to €21.3 million for the six months ended June 30, 2012 from €7.4 million for the six months ended June 30, 2011. This increase was primarily due to additional fiber links made available to our affiliates Completel and its subsidiary Altitude Telecom for the provision of data services to corporate clients.

Purchases and subcontracting services

Purchases and subcontracting services increased by €4.3 million, or 4.8%, to €93.6 million for the six months ended June 30, 2012 from €89.3 million for the six months ended June 30, 2011. This increase was primarily due to a €6.4 million increase in telephony costs as a result of the launch of our mobile offers in 2012 and the introduction of unlimited fixed-to-mobile plans in our triple-play packages in the course of the first half of 2011, which had a full period impact in the six months ended June 30, 2012. It was partly offset by a €3.2 million decrease in fees paid to television channels driven by a decrease in our television customer base and certain tariff renegotiations that occurred early 2012.

Staff costs and employee benefits expense

Staff costs and employee benefits expense increased by €0.4 million, or 1.1%, to €37.5 million for the six months ended June 30, 2012, from €37.1 million for the six months ended June 30, 2011. This increase was primarily due to our annual salary increase applicable as of January 1, 2012.

Taxes and duties

Taxes and duties increased by €0.7 million, or 7.4%, to €10.2 million for the six months ended June 30, 2012 from €9.5 million for the six months ended June 30, 2011. This increase was primarily due to the increase in the revenue and profitability on which these taxes are computed.

Other operating income

Other operating income decreased by €5.4 million, or 14.1%, to €32.9 million for the six months ended June 30, 2012 from €38.3 million for the six months ended June 30, 2011. This decrease was primarily due to a €10.0 million one-time income recorded in 2011 in relation with the settlement of a litigation proceeding in our favor, which did not recur in 2012.

Other operating expenses

Other operating expenses increased by €9.7 million, or 9.8%, to €108.3 million for the six months ended June 30, 2012 from €98.6 million for the six months ended June 30, 2011. This increase was primarily due to an increase in customer service costs to maintain and improve the quality of service delivered to clients. It was also due to the rectification of certain hosting costs for past periods resulting in an additional one-time cost of €2.5 million.

EBITDA

EBITDA decreased by €7.3 million or 3.2%, to €219.5 million for the six months ended June 30, 2012 from €226.8 million for the six months ended June 30, 2011. This decrease was primarily due to

the €10.0 million one off income recorded in 2011 in relation with the settlement of a litigation proceeding in our favor, which did not re-occur in 2012, partly offset by an increase in revenue.

Depreciation and amortization

Depreciation and amortization decreased by €1.7 million, or 1.7%, to €97.2 million for the six months ended June 30, 2012 from €98.9 million for the six months ended June 30, 2011.

Interest relative to gross financial debt

Interest relative to gross financial debt increased by €7.8 million, or 10.2%, to €84.5 million for the six months ended June 30, 2012 from €76.7 million for the six months ended June 30, 2011. This increase was primarily due to a margin increase resulting from certain amendments to, and extensions of, our Senior Facility Agreement that became effective in August 2011 and the effect of the refinancing of a portion of the Senior Facilities in February 2012 with the proceeds from the Existing Notes, which bear interest at a rate higher than the rate applicable to the indebtedness that was refinanced. It was partly offset by a decrease in EURIBOR, which reduced the interest charge on the portion of our indebtedness bearing interest at a floating rate.

Net income (loss) from ongoing activities

As a result of the foregoing, net income (loss) from ongoing activities decreased by €24.0 million, or 48.2%, to €25.8 million for the six months ended June 30, 2012 from €49.8 million for the six months ended June 30, 2011.

Years Ended December 31, 2009, 2010 and 2011

The following table sets forth, for the periods indicated, amounts relating to our results of operations, and such amounts as a percentage of our revenue.

	For the year ended December 31,					
	2009		2010		2011	
	€	%	€	%	€	%
	(€ in thousands, except percentages)					
Revenue	**856,809**	**100.0%**	**847,420**	**100.0%**	**865,126**	**100.0%**
Purchases and subcontracting services	(181,080)	(21.1%)	(184,230)	(21.7%)	(190,348)	(22.0%)
Staff costs and employee benefits expense	(72,964)	(8.5%)	(76,440)	(9.0%)	(75,042)	(8.7%)
Taxes and duties	(28,190)	(3.3%)	(21,764)	(2.6%)	(19,603)	(2.3%)
Provisions	(10,675)	(1.2%)	(16,713)	(2.0%)	(5,252)	(0.6%)
Other operating income	26,898	3.1%	46,641	5.5%	60,189	7.0%
Other operating expenses	(166,930)	(19.5%)	(189,337)	(22.3%)	(209,737)	(24.2%)
EBITDA	**423,868**	**49.5%**	**405,577**	**47.9%**	**425,333**	**49.2%**
Depreciation and amortization	(228,772)	(26.7%)	(225,916)	(26.7%)	(205,527)	(23.8%)
Operating income	**195,094**	**22.8%**	**179,661**	**21.2%**	**219,806**	**25.4%**
Financial income	74,144	8.7%	528	0.1%	791	0.1%
Interest relative to gross financial debt	(192,354)	(22.5%)	(150,143)	(17.7%)	(151,191)	(17.5%)
Other financial expense	(19,649)	(2.3%)	(972)	(0.1%)	(5,532)	(0.1%)
Finance costs, net	**(137,859)**	**(16.1%)**	**(150,587)**	**(17.8%)**	**(155,933)**	**(18.1%)**
Income tax expense	(7,974)	(0.9%)	(3,839)	(0.5%)	(10,943)	(1.3%)
Share in net income (loss) of equity affiliates	190	—	368	—	(310)	—
Net income (loss) from ongoing activities	**49,451**	**5.8%**	**25,603**	**3.0%**	**52,621**	**6.1%**
Net income from discontinued operations	15,519	1.8%	31,237	3.7%	126,060	14.6%
Net income (loss)	**64,971**	**7.6%**	**56,840**	**6.7%**	**178,681**	**20.7%**

Year Ended December 31, 2011 Compared with Year Ended December 31, 2010

Revenue

Revenue increased by €17.7 million, or 2.1%, to €865.1 million for the year ended December 31, 2011 from €847.4 million for the year ended December 31, 2010. This increase was primarily due to a significant increase in White Label revenue, which was partly offset by a significant decrease in analog revenue and a decrease in bulk revenue. Digital revenue remained generally stable over the periods under review.

The following table sets forth, for the periods indicated, the breakdown of our revenue by business line.

	For the year ended December 31,			
	2010		2011	
	€	%	€	%
	(€ in thousands, except percentages)			
Digital revenue	665,380	78.5%	660,383	76.3%
White Label revenue	26,797	3.2%	53,803	6.2%
Analog revenue	69,527	8.2%	51,139	5.9%
Bulk revenue	75,100	8.9%	69,964	8.1%
Wholesale revenue	10,616	1.3%	29,837	3.4%
Total revenue	**847,420**	**100.0%**	**865,126**	**100.0%**

Digital revenue

Digital revenue was generally stable, at €660.4 million for the year ended December 31, 2011 compared to €665.4 million for the year ended December 31, 2010. This was primarily due to a €1.2 increase in digital ARPU resulting from the successful introduction of new offers in mid-2010, price increases implemented in January 2011 and an increase in VOD revenue, which was offset by a reduction in set-up fees from new subscribers as a result of promotional offers on our high-end packages. Digital revenue was also negatively impacted by a 2% decrease in our average digital subscriber base in the year ended December 31, 2011 compared to the corresponding period in 2010 due to losses of television-only customers not being fully offset by multiproduct customers.

White Label revenue

White Label revenue increased by €27.0 million, or 100.8%, to €53.8 million for the year ended December 31, 2011 from €26.8 million for the year ended December 31, 2010. This increase was primarily due to the impact of the launch of our White Label services for Bouygues Telecom in November 2010 and a significant increase in Darty end-users.

Analog revenue

Analog revenue decreased by €18.4 million, or 26.4%, to €51.1 million for the year ended December 31, 2011 from €69.5 million for the year ended December 31, 2010. This decrease was primarily due to a decrease in our analog subscriber base, due to the confirmed migration to digital services following the DTT roll-out in France, which allows our analog subscribers to receive a free television package that is comparable to our pay-television analog offer.

Bulk revenue

Bulk revenue decreased by €5.1 million, or 6.8%, to €69.9 million for the year ended December 31, 2011 from €75.1 million for the year ended December 31, 2010. This decrease was primarily due to tariff reductions resulting from the renegotiation of our bulk contracts in eastern France. Our bulk customer base remained stable over the periods under review.

Wholesale revenue

Wholesale revenue increased by €19.2 million, or 181.1%, to €29.8 million for the year ended December 31, 2011 from €10.6 million for the year ended December 31, 2010. This increase was

primarily due to additional fiber links made available to our affiliates, Completel and its subsidiary Altitude Telecom, for the provision of data services to corporate clients.

Purchases and subcontracting services

Purchases and subcontracting services increased by €6.1 million, or 3.3%, to €190.3 million for the year ended December 31, 2011 from €184.2 million for the year ended December 31, 2010. This increase was primarily due to the introduction in the course of the first half of 2011 of both mobile packages and fixed to mobile plans in our triple-play packages that enhanced telephony usage and therefore the associated costs, such as telephony termination costs.

Staff costs and employee benefits expense

Staff costs and employee benefits expense decreased by €1.4 million, or 1.8%, to €75.0 million for the year ended December 31, 2011, from €76.4 million for the year ended December 31, 2010. This decrease was primarily due to a strict control of our headcount, partly offset by our yearly salary increase.

Taxes and duties

Taxes and duties decreased by €2.2 million, or 9.9%, to €19.6 million for the year ended December 31, 2011 from €21.8 million for the year ended December 31, 2010. This decrease was primarily due to the reform of the French business tax, with the implementation of the *cotisation sur la valeur ajoutée des entreprises* and the *cotisation foncière des entreprises*, which replaced the *taxe professionelle*, which became effective on January 1, 2010 but was accounted for in the fourth quarter of 2010. As a result of the method of calculation of the two new taxes, the overall tax liability of our Group decreased.

Other operating income

Other operating income increased by €13.5 million, or 29%, to €60.2 million for the year ended December 31, 2011 from €46.6 million for the year ended December 31, 2010. This increase was primarily due to the impact of increased capitalized labor expenses incurred in connection with the fiber roll-out pursuant to DSP 92, a public–private partnership in the Hauts-de-Seine District (an increase of €15.1 million) partly offset by one-time income in 2011 resulting from the settlement of certain litigation with France Telecom in our favor in the amount of €10.0 million.

Other operating expenses

Other operating expenses increased by €20.4 million, or 10.8%, to €209.7 million for the year ended December 31, 2011 from €189.3 million for the year ended December 31, 2010. This increase was primarily due to increased marketing expense (€16 million) in order to respond to our competitors' advertising pressure and to maintain a permanent presence on various communication supports, especially television, and increased taxes (€2 million). These increases were partly offset by an optimization of the costs relating to CRM (€4 million) and general and administrative costs (€2.7 million).

EBITDA

EBITDA increased by €19.8 million or 4.9%, to €425.3 million for the year ended December 31, 2011 from €405.6 million for the year ended December 31, 2010. This increase was primarily due to a significant increase in White Label revenue, certain extraordinary income, the positive effect of the replacement of the *taxe professionnelle* by the *cotisation sur la valeur ajoutée des entreprises* and the *cotisation foncière des entreprises*, and was partly offset by a significant decrease in analog revenue.

Depreciation and amortization

Depreciation and amortization decreased by €20.4 million, or 9.0%, to €205.5 million for the year ended December 31, 2011 from €225.9 million for the year ended December 31, 2010. This decrease reflected our reduced level of capital expenditures in 2009 and 2010.

Interest relative to gross financial debt

Interest relative to gross financial debt increased by €1.0 million, or 0.7%, to €151.2 million for the year ended December 31, 2011 from €150.1 million for the year ended December 31, 2010. This increase was primarily due to an increase in EURIBOR in the year ended December 31, 2011, compared to the corresponding period in 2010, which was partly offset by a decrease in the principal amount of financial indebtedness over the periods under review and the effect of the termination of a variable-to-fixed interest rate swap, which had a negative impact in the year ended December 31, 2010.

Net income (loss) from ongoing activities

As a result of the foregoing, net income (loss) from ongoing activities increased by €27.0 million, or 105.5%, to €52.6 million for the year ended December 31, 2011 from €25.6 million for the year ended December 31, 2010.

Year Ended December 31, 2010 Compared with Year Ended December 31, 2009

This discussion is based on a comparison of the audited consolidated financial statements of Ypso France for the years ended December 31, 2010 and 2009.

Revenue

Revenue decreased slightly by €9.4 million, or 1.1%, to €847.4 million for the year ended December 31, 2010 from €856.8 million for the year ended December 31, 2009. This decrease was primarily due to a significant decrease in analog revenue and a decrease in bulk revenue, which were partly offset by an increase in White Label revenue. Our digital revenues remained generally stable over the periods under review.

The following table sets forth, for the periods indicated, the breakdown of our revenue by business line.

	For the year ended December 31,			
	2009		2010	
	€	%	€	%
	(€ in thousands, except percentages)			
Digital revenue	668,327	78.0%	665,380	78.5%
White Label revenue	9,066	1.1%	26,797	3.2%
Analog revenue	91,788	10.7%	69,527	8.2%
Bulk revenue	79,508	9.3%	75,100	8.9%
Wholesale revenue	8,120	0.9%	10,616	1.3%
Total revenue	**856,809**	**100.0%**	**847,420**	**100.0%**

Digital revenue

Digital revenue was generally stable, at €665.4 million for the year ended December 31, 2010, compared to €668.3 million for the year ended December 31, 2009. This was primarily due to a slight decrease in our subscriber base (1,279,000 digital subscribers as of December 31, 2010 compared to

1,266,000 digital subscribers as of December 31, 2009) combined with a stabilized ARPU. This decrease was partly offset by a €3.5 million increase in VOD revenues.

White Label revenue

White Label revenue increased by €17.7 million, or 195.6%, to €26.8 million for the year ended December 31, 2010 from €9.1 million for the year ended December 31, 2009. This increase was primarily due to the impact of the launch of our White Label services for Bouygues Telecom in November 2010 and to a significant increase in Darty end-users. Our White Label customer base increased from 57,000 end-users as of December 31, 2009 to 103,000 end-users as of December 31, 2010.

Analog revenue

Analog revenue decreased by €22.3 million, or 24.3%, to €69.5 million for the year ended December 31, 2010 from €91.8 million for the year ended December 31, 2009. This decrease was primarily due to a 26% decrease in our analog subscriber base, due to the DTT roll-out in France, which allowed our analog subscribers to receive a free television package that is comparable to our pay-television analog offering. This trend continued in 2011, and we expect our analog revenue to further decrease in the future.

Bulk revenue

Bulk revenue decreased by €4.4 million, or 5.5%, to €75.1 million for the year ended December 31, 2010 from €79.5 million for the year ended December 31, 2009. This decrease was primarily due to tariff reductions resulting from the one-off renegotiation of our bulk contracts in eastern France, which also had a negative impact in 2011. Our bulk customer base increased by 34,000, from 1,813,000 end-users as of December 31, 2009 to 1,847,000 end-users as of December 31, 2010.

Wholesale revenue

Wholesale revenue increased by €2.5 million, or 30.9%, to €10.6 million for the year ended December 31, 2010 from €8.1 million for the year ended December 31, 2009. This increase was primarily due to additional infrastructure capacity sold to French telecommunications operators to carry mobile data.

Purchases and subcontracting services

Purchases and subcontracting services increased by €3.1 million, or 1.7%, to €184.2 million for the year ended December 31, 2010 from €181.1 million for the year ended December 31, 2009. This increase was primarily due to a €7.7 million increase in costs incurred in connection with our White Label offerings. This increase was proportional to the increase in White Label end-users and revenues. It was almost fully offset by a decrease in television content costs (€4.4 million) resulting from a decrease in our analog television customer base, and a reduction in fixed-line telephony termination rates (€3.3 million) incurred in connection with our Numericable-branded offers.

Staff costs and employee benefits expense

Staff costs and employee benefits expense increased by €3.4 million, or 4.8%, to €76.4 million for the year ended December 31, 2010 from €73.0 million for the year ended December 31, 2009. This increase was primarily due to the recruitment of sales force personnel and annual salary increases.

Taxes and duties

Taxes and duties decreased by €6.4 million, or 22.8%, to €21.8 million for the year ended December 31, 2010 from €28.2 million for the year ended December 31, 2009. This decrease was primarily due to the replacement, with effect from January 1, 2010, of the *taxe professionnelle* by the *cotisation sur la valeur ajoutée des entreprises* and the *cotisation financière des entreprises*.

Provisions

Provisions increased by €6.0 million, or 56.6%, to €16.7 million for the year ended December 31, 2010 from €10.7 million for the year ended December 31, 2009. This increase was primarily due to the booking of a provision to cover the risk of not recovering the cash from clients charged for not returning their set-top boxes and broadband routers upon the termination of their subscriptions.

Other operating income

Other operating income increased by €19.7 million, or 73.4%, to €46.6 million for the year ended December 31, 2010 from €26.9 million for the year ended December 31, 2009. This increase was primarily due to an increase of €12.7 million in our own work capitalized from €22.8 million for the year ended December 31, 2009 to €35.5 million for the year ended December 31, 2010 in connection with DSP 92. We also recorded a €8.1 million gain in 2010 resulting from charging penalties to subscribers who did not return their set-top boxes and broadband routers upon the termination of their subscriptions. A significant part of these penalties was not ultimately paid and was recorded as a provision (please see "—Provisions" above).

Other operating expenses

Other operating expenses increased by €22.3 million, or 13.4%, to €189.3 million for the year ended December 31, 2010 from €167.0 million for the year ended December 31, 2009. This increase was primarily due to an increase of €15.8 million in advertising fees to promote brand recognition and fuel future growth. We also incurred additional costs to deploy fiber in connection with the DSP 92 project and accounted for the net book value of the set-top boxes and broadband routers (€11.0 million) that we charged to churning customers who had not returned such devices upon termination of their subscriptions. This increase was partly offset by an optimization of the costs relating to CRM (€4.5 million) and general and administrative costs (€0.8 million).

EBITDA

EBITDA decreased by €18.3 million, or 4.3%, to €405.6 million for the year ended December 31, 2010, from €423.9 million for the year ended December 31, 2009. This decrease was primarily due to a decrease in analog revenue that was partly offset by a significant increase in White Label revenue.

Depreciation and amortization

Depreciation and amortization slightly decreased by €2.9 million, or 1.3%, to €225.9 million for the year ended December 31, 2010 from €228.8 million for the year ended December 31, 2009.

Financial income

Financial income decreased to €0.5 million for the year ended December 31, 2010 from €74.1 million for the year ended December 31, 2009. This decrease was due to the one-off effect of a €73.6 million gain resulting from the repurchase of existing debt below par in 2009.

Interest relative to gross financial debt

Interest relative to gross financial debt decreased by €42.2 million, or 22.0%, to €150.1 million for the year ended December 31, 2010 from €192.4 million for the year ended December 31, 2009. This decrease was primarily due to the recognition of a €40.8 million unrealized gain resulting from a change in the fair value of our interest rate derivatives in 2010, compared to an unrealized loss of €2.6 million in 2009, resulting from a decrease in EURIBOR in 2010. The positive effect of our €180.0 million debt buyback in 2009 and the repayment of €93.4 million principal amount of our financial debt in 2009 was offset by the increased payment-in-kind margin that we consented to the lenders under our Senior Facility Agreement in consideration for its renegotiation at the end of 2009.

Other financial expense

Other financial expense decreased to €1.0 million for the year ended December 31, 2010 from €19.6 million for the year ended December 31, 2009. This decrease was primarily due to one-off fees incurred in connection with the renegotiation of our Senior Facility Agreement in 2009, which did not recur in 2010.

Income tax expense

Income tax expense decreased by €4.1 million, or 51.7%, to €3.8 million for the year ended December 31, 2010 from €8.0 million for the year ended December 31, 2009. This decrease was primarily due to a lower taxable profit in 2010.

Net income (loss) from ongoing activities

As a result of the foregoing, net income from ongoing activities decreased by €23.8 million, or 48.2%, to €25.6 million for the year ended December 31, 2010 from €49.5 million for the year ended December 31, 2009.

Liquidity and Capital Resources

We maintain cash and cash equivalents to fund the day-to-day requirements of our business. We hold cash only in euro. Historically, we have relied primarily upon operating cash flow, borrowings under the Senior Facility Agreement and subsidies from local authorities to provide funds required for our operations.

Our principal source of liquidity on an ongoing basis has been our operating cash flows. The proceeds from the Offering will be used to refinance a portion of the Senior Facility Agreement. Our ability to generate cash from our operations will depend on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control.

On February 8, 2012 we entered into the Additional Revolving Facility under our Senior Facility Agreement, under which we have €65 million of drawing capacity available. The Additional Revolving Facility was undrawn as of June 30, 2012, and we expect it to be undrawn as of the Issue Date. We have drawn, and expect to make further drawings, under the Additional Revolving Facility from time to time to optimize our cash position and manage our liquidity position, but we have no intention to use the Additional Revolving Facility for long-term financing. Please see "Description of Other Indebtedness—Senior Facility Agreement".

Our net working capital, which consists of inventories, plus trade receivables and other receivables, net, less trade payables and other payables, was negative €222.0 million, negative €178.3 million and negative €186.2 million, in the years ended December 31, 2009, 2010 and 2011, respectively, and negative €152.7 million in the six months ended June 30, 2012. Our net working capital is structurally

negative, because a substantial part of our net working capital is prepaid revenue for services to be provided, and as we typically negotiate long payment terms with our suppliers to the extent permitted under French laws and regulations. We believe that, as of the date of this offering memorandum, we have sufficient working capital to meet our payment obligations over the next twelve months.

The terms of the Senior Facility Agreement, the Existing Indenture and the Indenture contain a number of covenants that restrict our ability, and the ability of our subsidiaries, to, among other things, make certain payments, including dividends or other distributions; incur or guarantee debt and issue preferred stock; make certain investments or acquisitions, including participating in joint ventures; prepay or redeem subordinated debt or equity; sell assets; consolidate or merge with or into other companies; issue or sell share capital of certain subsidiaries; and create certain liens. Furthermore, the ability of our subsidiaries to pay dividends and make other payments to us may be restricted by, among other things, other agreements and legal prohibitions on such payments or otherwise distributing funds, including for the purpose of servicing debt. Please see "Description of Other Indebtedness—Senior Facility Agreement", "Description of Other Indebtedness—Existing Notes and the Additional C1 Facility Loan" and "Description of the Notes". To the extent that we are not able to fund any principal payment at maturity with respect to any of our indebtedness, we will be required to refinance this indebtedness with additional credit facilities or the issuance of new debt or equity securities in the capital markets. Any failure to raise additional necessary funds would result in a default under the credit facilities. We anticipate that we will have to refinance a substantial portion of our Senior Facility Agreement (including the Additional C1 Facility Loan and the Additional C2 Facility Loan) at maturity.

We anticipate that we will be highly leveraged for the foreseeable future, which may have negative consequences on investors. Please see "Risk Factors—Risks Related to Our Indebtedness and the Notes—Our significant leverage may make it difficult for us to service our debt, including the Additional C2 Facility Loan, and operate our business". In addition, additional indebtedness incurred could reduce the amount of our cash flow available to make payments on our indebtedness, including the Senior Facility Agreement (including the Additional C1 Facility Loan and the Additional C2 Facility Loan), and increase our leverage.

Overview of Financing Instruments Following the Offering and the Refinancing

As of June 30, 2012, we had €4.2 million in cash and cash equivalents and €2,351.7 million of outstanding indebtedness under the Senior Facility Agreement (excluding capitalized and accrued interest and without giving effect to effective interest rate discount (as defined under IFRS)), which we expect to repay in part pursuant to the Refinancing. Our interest expense on gross financial debt for the year ended December 31, 2011 was €151.2 million and for the six months ended June 30, 2012 was €84.5 million.

As of June 30, 2012, after giving effect to the Offering and the Refinancing, we expect our indebtedness to consist of the following:

- €2,361.7 million outstanding under the Senior Facility Agreement (including the Additional C2 Facility Loan incurred in connection with the Offering);
- €20.2 million outstanding under finance leases (*crédit-bail*);
- €40.5 million of customers' deposits;
- €174.6 million outstanding under subordinated shareholder loans;
- €2.9 million outstanding under other miscellaneous liabilities; and
- €34.0 million outstanding under our perpetual subordinated notes (*Titres Subordonnés à Durée Illimitée*) ("TSDI").

For additional information regarding the Notes, please see "Description of the Notes" and for additional information regarding the Senior Facility Agreement, the Existing Notes and the Additional C1 Facility Loan, our finance leases, our other miscellaneous liabilities, the TSDI and our subordinated shareholders loans, please see "Description of Other Indebtedness—Senior Facility Agreement", "Description of Other Indebtedness—Existing Notes and the Additional C1 Facility Loan", "Description of Other Indebtedness—Finance Leases", "Description of Other Indebtedness—Shareholder Financing" and "Description of Other Indebtedness—Perpetual Subordinated Notes".

We believe that our operating cash flows, together with future borrowings, to the extent required, under the Senior Facility Agreement, will be sufficient to fund our working capital requirements, anticipated capital expenditures and debt service requirements as they become due.

We may in the future acquire Notes in open market purchases, individually negotiated transactions or otherwise.

Cash Flow

The table below summarizes our cash flow for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012 and 2011.

	Year ended December 31,			Six months ended June 30,	
	2009	2010	2011	2011	2012
				(Unaudited)	
			(in € thousands)		
Net cash provided (used) by operating activities	473,195	414,627	435,551	131,730	120,303
Net cash provided (used) by investing activities	(364,818)	(174,279)	(173,032)	238,233	175,829
Net cash provided (used) by financing activities	(122,360)	(267,871)	(402,660)	(86,778)	(95,591)
Net increase (decrease) in cash and cash equivalents	(13,247)	(12,327)	16,117	47,362	(30,288)

Net cash provided by operating activities

Net cash provided by operating activities decreased by €62.4 million from a cash inflow of €238.2 million in the six months ended June 30, 2011 to a cash inflow of €175.8 million in the six months ended June 30, 2012. This decrease was primarily driven by a €24.0 million decrease in net income from ongoing activities resulting from a €36.7 million negative change in working capital, mainly due to certain one-off items having a positive impact in the six months ended June 30, 2011 and a negative impact in the six months ended June 30, 2012. Other factors included €27.7 million of exceptional financial expenses, mainly incurred in connection with the issuance of the Existing Notes in February 2012; the amendments to, and extension of the maturity of, our Senior Facility Agreement and the entering into of our Additional Revolving Credit Facility; and a €7.3 million decrease in EBITDA from period to period.

Net cash provided by operating activities increased by €20.9 million from a cash inflow of €414.6 million in the year ended December 31, 2010 to a cash inflow of €435.6 million in the year ended December 31, 2011. This increase was primarily driven by an increase in net income from ongoing activities (€27.0 million) resulting from an increase in EBITDA (€19.8 million), slightly offset by a €1.9 million negative change in working capital.

Net cash provided by operating activities decreased by €58.6 million from €473.2 million in the year ended December 31, 2009 to €414.6 million in the year ended December 31, 2010. This decrease was primarily driven by a reduction in net income from ongoing activities (€23.8 million) resulting from the accounting impact of one-off exceptional income (€74.1 million) recorded in 2009 as a result of our debt buyback and a €18.3 million reduction in our EBITDA. It was partly offset by a €14.0 million positive change in working capital and the impact of one-off amendment fees paid in 2009 in connection with our Senior Facility Agreement (€17.9 million).

Net cash used by investing activities

Net cash used by investing activities increased by €8.8 million from a cash outflow of €86.8 million in the six months ended June 30, 2011 to a cash outflow of €95.6 million in the six months ended June 30, 2012. This decrease was primarily driven by an increase of our capital expenditures following the acceleration of DSP 92, our public–private fiber deployment project in the Hauts-de-Seine District. Please see "—Capital Expenditure and Investments".

Net cash used by investing activities decreased by €1.2 million from a cash outflow of €174.3 million in the year ended December 31, 2010 to a cash outflow of €173.0 million in the year ended December 31, 2011. This decrease was primarily driven by a slight increase of our capital expenditures partly offset by the proceeds resulting from disposal of intangible assets.

Net cash used by investing activities decreased by €190.5 million from a cash outflow of €364.8 million in the year ended December 31, 2009 to a cash outflow of €174.3 million in the year ended December 31, 2010. This decrease was primarily driven by the non-cash accounting impact of a one-off €180.0 million increase in non-current financial assets recorded in 2009 as a result of our debt buyback which did not recur in 2010, cash proceeds resulting from the invoicing of set-top boxes to churning customers who did not return them at the end of their contract (€8.1 million) and a €2.7 million increase in subsidies received from local authorities. Capital expenditures were generally stable (€190.0 million in 2010 compared to €189.7 million in 2009).

For additional information on our capital expenditures, please see "—Capital Expenditure and Investments".

Net cash used by financing activities

Net cash used by financing activities decreased by €152.6 million from a cash outflow of €263.1 million in the six months ended June 30, 2011 to a cash outflow of €110.5 million in the six months ended June 30, 2012. This decrease was primarily driven by the repayment of €20.5 million under our Senior Facility Agreement in the six months ended June 30, 2012 (excluding the repayment of €350 million made through the proceeds of the Existing Notes), compared to a repayment of €202.9 million for the six months ended June 30, 2011. This decrease was partly offset by higher financial expenses in the six months ended June 2012 compared to the six month ended June 30, 2011 due to the issuance of the Existing Notes and the incurrence of the Additional C1 Facility Loan which bears a higher interest rate than the debt we repaid with the proceeds thereof, as well as a margin increase on our Senior Facility Agreement following the extension of certain tranches pursuant to the February 2012 Refinancing. This increase in financial expenses was partly offset by the termination of a variable-to-fixed interest swap which had a negative cash impact and a decrease of EURIBOR. Cash and cash equivalents as of June 30, 2012 decreased by €61.5 million compared to the previous period as a result of a debt repayment with the proceeds from the disposal of Coditel in 2011. We also financed certain investments through new finance leases with Cisco Capital (€13.4 million) during the six months ended June 30, 2012 compared to €9.4 million during the six months ended June 30, 2012.

Net cash used by financing activities increased by €134.8 million from a cash outflow of €267.9 million in the year ended December 31, 2010 to a cash outflow of €402.7 million in the year

ended December 31, 2011. This increase was primarily driven by the repayment of €277 million under our Senior Facility Agreement in the year ended December 31, 2011, compared to a repayment of €115.6 million for the year ended December 31, 2010. This increase was partly offset by lower interest payments resulting from a lower amount outstanding under our Senior Facility Agreement and the termination of a variable-to-fixed interest swap which had a negative cash impact. We also financed certain investments through new finance leases with Cisco Capital (€11.9 million).

Net cash used by financing activities increased by €145.5 million from a cash outflow of €122.4 million in the year ended December 31, 2009 to a cash outflow of €267.9 million in the year ended December 31, 2010. This increase was primarily driven by the absence of new equity contributions or additional borrowings in 2010, because our Group had no additional financing needs (compared to a cash inflow resulting from equity injections of €23.7 million in 2009, and the non-cash effect of the issuance of €106.4 million of Coditel Debt Notes (as defined herein) to our shareholders in 2009). Interest paid on our financial debt was significantly lower in 2010 (€138.1 million compared to €189.7 million in 2009) as a result of a reduction in outstanding debt following our debt buyback in December 2009, a reduction in EURIBOR and the termination of certain hedging instruments which had a negative cash impact in 2009. We reimbursed €132.5 million of financial debt in 2010, compared to €126.6 million in 2009.

Contractual Obligations

The following table summarizes the financial payments that we will be obligated to make, including under our debt instruments as of June 30, 2012, on an as adjusted basis after giving effect to the Offering and the Refinancing. The information presented in the table below reflects management's estimates of the contractual maturities of our obligations. These maturities may differ significantly from the actual maturity of these obligations.

	As of June 30, 2012 Less than			
	1 year	**1-5 years**	**5+ years**	**Total**
	(in thousands of euros)			
Financial liabilities under the Senior Facility Agreement	41,545	990,839	1,329,281	2,361,665
Perpetual subordinated notes	—	—	34,027	34,027
Financial liabilities under finance leases	11,476	7,838	875	20,189
Other liabilities	799	1,814	321	2,934
Shareholder debt[(1)]	—	—	174,563	174,563
Total loans and financial liabilities	53,820	1,000,491	1,539,067	2,593,378
Interest-rate derivatives	—	—	—	—
Deposits received from customers	—	40,484	—	40,484
Total financial liabilities	**53,820**	**1,040,975**	**1,539,067**	**2,633,862**

(1) The terms of our shareholder debt provide that its maturity is a least two months after the latest maturity under our Senior Facility Agreement. The date in the table above is presented after giving effect to the extension of the maturity of our shareholder debt resulting from the entry into of the Additional C Facility, which matures in 2019.

We have obligations under defined benefit and defined contribution pension schemes. Our cash outflow from these obligations will vary with a number of factors.

Capital Expenditure and Investments

We classify our capital expenditures in the following categories:

- *Network:* investment in improving, expanding and maintaining high-speed broadband Internet access and the underlying access network, investment in broadband DOCSIS technology and network capacity;
- *Customer:* capital expenditures linked to broadband routers and set-top boxes, as well as installation and in-home wiring for new customers, which is to a large extent success-based;
- *Service Platforms and Public–Private Partnerships:* investment in television and fixed-line telephony platforms, as well as investment in connection with the deployment of fiber networks under public–private partnerships such as DSP 92; and
- *Other:* capital expenditures in connection with wholesale projects, as well as miscellaneous investments.

Success-based capital expenditures include capital expenditure related to the expansion of our network footprint to additional homes, expanding network capacity, and new product and service development. Success-based capital expenditure also includes expenditure incurred in connecting business customers to our network either via hybrid fiber coaxial lines or through fiber-only connections. Success-based capital expenditure does not include maintenance capital expenditure.

As part of our strategy to focus capital investments on improving returns, we have instituted measures to ensure the most efficient uses of capital investment. We intend to manage capital expenditures to maintain our well-invested asset base. Our investment committee, co-chaired by our chief executive officer and our chief financial officer, review all existing capital expenditure programs on a weekly basis, and will review and approve all future programs.

In the six months ended June 30, 2012, total capital expenditures were higher at €100.6 million, compared with €93 million in the corresponding period of 2011.

We carefully monitor success-based capital expenditure by applying strict investment return and payback criteria. For the year ended December 31, 2011, we incurred capital expenditure of €185.5 million, compared to €189.9 million and €189.7 million during the years ended December 31, 2010 and 2009, respectively. We incurred significant network capital expenditure (approximately €100.0 million) in 2008 as a result of our fiber roll-out. Capital expenditures returned to a normal level in fiscal years 2010 and 2011 and for the six months ended June 30, 2012, with approximately 27% of our capital expenditures relating to the network expansion, 34% relating to broadband routers, set-top boxes and installation or customer premises equipment, 10% relating to service platforms, new investments, 5% relating to wholesale and 24% relating to other miscellaneous expenditures and general investments, including own work capitalized. In 2010, we incurred significant one-off capital expenditures in connection with our White Label agreement with Bouygues Telecom and the DSP 92 project. In 2009, we incurred significant one-off capital expenditures in connection with our IRU with SFR.

We expect our recurring capital expenditures to remain at approximately €180 million to €200 million in 2012 and 2013, depending on the volume of gross adds for our Numericable-branded products and White Label offerings. In addition to this amount, €20 million to €40 million in 2012 could be incurred to deploy fiber following commitments within public-private-partnership programs mostly in the Hauts-de-Seine District (DSP 92).

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations, liquidity, capital expenditure or capital resources, except with respect to our interest rate hedging.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

In the ordinary course of our business, we are exposed to market risk arising from fluctuations in interest rates. To manage this risk effectively, we have in the past and expect to continue to enter into hedging transactions and to use derivative financial instruments, pursuant to established internal guidelines and policies, to mitigate the adverse effects of this risk. We do not enter into financial instruments for trading or speculative purposes.

We utilize interest rate caps to reduce our exposure to changes in the variable EURIBOR rates on our outstanding loan portfolio of €1,991.5 million as of June 30, 2012. As of June 30, 2012, we were party to interest rate cap agreements with a total notional amount of €900.0 million. We terminated all interest rate swaps to which we were a party on or before June 30, 2011.

If interest rates had been 50 basis points higher or lower and all other variables had remained constant our net income (loss) for the year ended December 31, 2011 would have decreased or increased, as applicable, by €14.3 million as a result of our exposure to interest rates fluctuations on our floating rate borrowings.

Credit Risk

"Credit risk" refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group.

Financial instruments that could potentially subject the Group to concentrations of counterparty risk consist primarily of trade receivables, cash and cash equivalents, investments and derivative financial instruments. Overall, the carrying amount of financial assets recognized in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

We consider that we have a limited exposure to concentrations of credit risk with respect to trade accounts receivable due to our large and diverse customer base (residential and public institutions) operating in numerous industries across France.

The Group's policy is to invest its cash, cash equivalents and marketable securities with financial institutions and industrial groups with a long-term rating of A-/A3 or above. The Group enters into interest rate contracts with leading financial institutions and currently believes that the risk of these counterparties defaulting is extremely low, since their credit ratings are monitored and financial exposure to any one financial institution is limited.

Currency Risk

Substantially all of our revenues, expenses and obligations are denominated in euro. As a result, we are not subject to material market risk relating to exchange rate fluctuations.

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with our board of managers, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages

liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Significant Accounting Policies and Critical Accounting Estimates

For a description of our significant accounting policies and our critical accounting estimates, please see Notes 3 and 4 to our financial statements as of and for the years ended December 31, 2009, 2010 and 2011 included elsewhere in this offering memorandum.

France

We operate our cable business in France, which as of July 2012 had a population of approximately 65 million (including overseas territories) and approximately 27 million households. As of June 30, 2012, our network connected over 9.8 million, or approximately 35%, of French homes and was deployed in more than 90% of French cities of over 100,000 inhabitants. We primarily offer triple- and quadruple-play packages, which include television, broadband Internet and fixed-line telephony services and, in the case of quadruple-play packages, mobile telephony services.

In 2011 France was the tenth largest national economy in the world as measured by GDP. France's GDP per capita in 2011 stood at approximately $35,600, which was the 11th highest GDP per capita in the European Union and the 35th highest worldwide (Source: CIA World Factbook). France includes certain of the densest areas in Europe, including the Paris and Ile-de-France region, where we have extensive networks. High population density reduces the overall cost associated with the deployment, operation and maintenance of network infrastructure and allows for more efficient marketing. Cable operators that operate in urban areas with high population density benefit from easier access to customers and more cost-effective network upgrades and maintenance.

Industry Convergence

The French media and telecommunications markets have converged as customers seek to receive their media and communications services from a single provider at an attractive price. In response, service providers are providing television, broadband Internet and fixed-line telephony services bundled into integrated offerings referred to as "dual-play" or "double-play" (two of the three services provided together), or "triple-play" (all three services provided together). The size of the French broadband Internet and triple-play market in 2011 was approximately €8.9 billion (Source: ARCEP), compared to €3.1 billion in 2006. We believe that offering bundled services allows media and telecommunication service providers to meet customers' communication and entertainment requirements, increases customer loyalty and attracts new customers as the value proposition of the offering is enhanced. We believe that we successfully take advantage of opportunities to induce our existing cable television customers to purchase additional services such as broadband Internet, telephony and digital television. Our customers subscribed to an average of 2.33 services as of June 30, 2012, compared to 2.09 services as of December 31, 2010.

Recently, providers have introduced "quadruple-play" offerings, which combine a mobile subscription with a fixed triple-play offering. Quadruple-play is still an early trend, but customers' appetite for these offerings is growing, driven by price discounts. Free's entry into the mobile market, which occurred in January 2012, caused significant market disruption. Its €19.99 per month SIM-only offer, which includes unlimited voice, text and multimedia messages as well as 3 GB of mobile data, allowed it to capture approximately 5.4% of the mobile market by June 30, 2012. Triple-play providers had launched quadruple-play offers in anticipation of Free's entry. In May 2009, Bouygues Telecom launched a quadruple-play offering, which includes unlimited calls from a mobile phone, television, unlimited broadband Internet and fixed-line telephony. France Telecom-Orange and SFR followed by launching their own quadruple-play offerings in August 2010 and May 2010. We launched quadruple-play services in May 2011 and strive to continuously improve our offerings. Since September 2011, we have offered an unlimited international mobile calling plan that includes calls to fixed-line telephones in over 100 countries and calls both fixed-line and mobile telephones in the United States, Canada and China. We believe that the French television, broadband Internet and fixed and mobile telephony industries may be subject to further consolidation in the future.

Customers of media and communications services have increasingly chosen multiple-play packages because of the convenience and cost savings that result from acquiring television, broadband Internet

and telephony services from one single provider for an all-in price rather than several services on a stand-alone basis. In 2011, we held a market share of approximately 4.2% of the triple-play market based on the total number of subscribers in France, and of approximately 16% of the triple-play market based on the number of subscribers located in our network areas (consisting of cities with populations exceeding 100,000 and persons between the ages of 25 and 49) (Source: ARCEP). Shares of the triple-play market based on the total number of subscribers in France held over the same period by France Telecom-Orange, SFR and Free, were approximately 43%, 22% and 22%, respectively.

In the French market, triple-play services are provided through two major technological distribution platforms: our cable network and the DSL-based networks of France Telecom-Orange, Free and SFR. Bi-directional cable networks are particularly well suited for the provision of triple-play services with high bandwidth requirements due to their network characteristics. Because they were originally designed for the transmission of large amounts of data, cable networks are able to deliver consistent speeds irrespective of the distance to the customer, unlike DSL-based networks. Our hybrid fiber coaxial network based on FTTB technology allows us to provide broadband Internet speed levels as well as television image quality and reliability that cannot currently be matched by our DSL competitors, at least without deep fiber deployment or only at comparatively less attractive economics. To overcome the constraints faced by their current DSL networks, France Telecom-Orange, Free and SFR have begun to roll out FTTH networks. As of June 30, 2012, FTTH networks connected 1.8 million homes and approximately 247,000 subscribers were connected to FTTH networks. As of the same date, our FTTB networks connected 4.5 million homes and 516,000 subscribers were connected to our FTTB networks subscribers (Source: ARCEP).

Television

Introduction

The French television market is one of the largest in Europe, with approximately 26 million television households and a combined cable, satellite and terrestrial penetration rate of approximately 79.4% (Source: Screendigest, November 2011). Like other European markets, television consumer behavior in France is currently focused on digital, innovative, HD and interactive television services such as VOD, requiring high bandwidth, bi-directional distribution platforms. 3D-TV is a new trend in the market and is gaining in popularity. French customers are typically early adopters of new technologies: approximately 91.5% of television households used digital television services as of December 31, 2010, up from 83.9% a year earlier (Source: Screendigest, November 2011).

Distribution Platforms

Television signal distribution platforms in France include satellite, DSL, our cable network and terrestrial systems. Viewers who have the appropriate equipment are able to receive the signal and view the content of approximately 19 television channels for free with an additional 6 channels expected to be offered by December 2012, i.e., without requiring a subscription. To receive more channels, viewers must subscribe to pay-television services. The French pay-television market can be divided into basic pay-television and premium pay-television. Basic pay-television primarily consists of basic content packages and the premium pay-television market consists of package offerings that include premium sports, movies and other themed channels. Spending for pay-television services in France is growing and total subscription fees reached approximately €6.04 billion in 2011 (Source: Digiworld Yearbook 2011). While the established pay-television operators face competition from free television (including DTT) and other pay-television alternatives (over-the-top television and catch-up television), the competitive advantage of pay-television (high content quality and premium services) and the loyalty of the installed customer base lead to strong pay-television resilience. As of December 31, 2011, there were approximately 10.2 million subscribers to pay-television services, broken down as follows: 46% IPTV, 31% satellite, 17% cable and 7% DTT (Source: Screendigest, July 2012).

We are the second largest operator in the pay-television packages market after Canal+, with approximately 1.18 million subscriptions as of June 30, 2012. Our packages are distributed exclusively across our cable platform. Canal+ distributes its packages across all broadcasting platforms: DSL, DTT, satellite and mobile telephony networks, as well as our cable network (in that case limited to Canal+'s own channels, known as *Les Chaînes Canal+)*. It offers two complementary packages: a premium service consisting of *Les Chaînes Canal+*; and a multichannel themed service package known as CanalSat. These two complementary packages are available via combined or separate subscriptions. Canal+ has developed numerous value-added services around its packages, such as on-demand television, HD and multiscreen distribution. As of December 31, 2010, there were 9.9 million subscriptions to Canal+ packages in France (corresponding to 6.1 million residential subscribers) of which 44% held a subscription to both *Les Chaînes Canal+* and CanalSat.

Cable

We are the sole cable operator in France, with the exception of some small regional cable operators, which together represent less than 1% of the French cable networks. Cable network operators generate revenues principally from subscription fees paid by customers for the services provided. We believe that the direct access we have to our customers allows us to serve them better, as we can identify and fulfill their demands for specific products and services more easily and on a local basis. Services provided via cable networks are characterized by easy-to-use technology, the efficient installation of customer equipment and the reliability of a protected signal delivered directly to the home. Cable television subscribers are able to access customer services provided by the cable provider when required. Given the trend towards offering bundled media and telecommunications services, the market share of cable television distribution is expected to benefit from cable's ability to deliver triple-play services with high bandwidth, high speed and bi-directional capacity.

Satellite

Satellite is a significant competitor in the French television market, especially among premium products. Television viewers can receive "free-to-air" or paid satellite television. Any increase in market share of satellite distribution, which is offered by CanalSat, may have a negative impact on the success of our analog cable television services. Satellite operators distribute digital signals nationally via satellite directly to television viewers. To receive programming distributed via satellite, viewers need a satellite dish, a satellite receiver and a set-top box. Viewers also require a smart card for subscription-based and premium television services distributed via satellite. Satellite providers of free-to-air satellite services do not have any relationships with viewers as they do not receive any subscription or other fees from them.

Satellite distribution has a number of competitive advantages over cable television services, including a wider range of programs available to a wider geographic area, especially rural areas. However, given the lack of integrated return path, satellite struggles to deliver easy-to-handle interactive television services, including VOD services. As a result, satellite is unable to provide an integrated bundled solution. Satellite operators can team up with providers of broadband Internet and fixed-line telephony services, but they are unable to supply directly all the products in a triple-play bundle, putting them at a significant disadvantage to cable or DSL operators who are able to provide all three services through their networks. We believe that satellite has the following additional disadvantages compared to cable: (i) the higher up-front cost of procuring and installing a satellite dish, as compared to the "plug-and-play" convenience of cable; (ii) the lack of an ongoing maintenance service, which cable network operators offer to their subscribers; and (iii) the vulnerability of satellite reception to external interference, such as adverse weather conditions.

DSL

Our main competitors are France Telecom-Orange, Free and SFR, which currently provide television services to customers in our network area utilizing DSL broadband Internet connections, and CanalSat, which delivers premium television packages through the networks of France Telecom-Orange, Free and SFR. Although France Telecom-Orange, Free and SFR currently hold leading positions in the pay-television market in France, we believe that the superiority of our technology in terms of quality and reliability will allow us to challenge their position in the coming years. We believe that DSL-based television presents a disadvantage compared to cable: adding television services over a DSL network strains the network and decreases the amount of spectrum bandwidth available for other service offerings, particularly bandwidth-intensive broadband. Under currently available technology, DSL-based triple-play providers such as France Telecom-Orange, Free and SFR cannot provide bundles of similar quality compared to those provided over cable networks without making significant investments in extending fiber closer to the subscriber's home.

Pay DTT

Our cable television services also compete with DTT providers such as Canal+. Approximately 20% of all digital television consumers in France obtain their service through DTT networks as of December 31, 2011 (Source: Screendigest, July 2012).

Other Emerging Technologies

We face increasing competition from alternative methods of distributing television services other than through traditional cable networks. For example, websites and online aggregators of content that deliver broadcasts "over-the-top" (OTT) of an existing broadband network may also become significant competitors in the future. The full extent to which these alternative technologies will compete effectively with our cable television system is not yet known.

Broadband Internet

Introduction

Broadband Internet access, often shortened to "broadband", is high data rate Internet access. The International Telecommunication Union Standardization Sector recommendation I.113 has defined "broadband" as a transmission capacity that is faster than primary rate ISDN at 1.5 or 2 Mbits/s.

France is one of the largest broadband Internet access markets in Europe, with approximately 23.3 million broadband subscriptions as of June 30, 2012 (Source: ARCEP). The main broadband access technologies are DSL and cable. Analog dial-up modems, Internet access via powerline and wireless local loop technology are also available, although to a lesser extent, in France. While the current broadband penetration rate in France (being the number of fixed wired broadband subscriptions per 100 inhabitants in France) is lower than in some other European markets, the growth of broadband penetration rates tends to be faster. The broadband penetration rate in France, which has increased steadily over the last five years, was approximately 36% as of December 2011, compared to approximately 20% as of December 2006. As of December 2011, broadband penetration rates were approximately 38% in Denmark, 39% in the Netherlands, 33% in Germany and 28% in the United States. As of the same date, France counted 22.6 million fixed broadband customers, of which approximately 59% were triple- or quadruple-play subscribers, 35% were customers subscribed to broadband Internet plus another service such as fixed-line telephony and 6% were stand-alone broadband Internet subscribers. Denmark, the Netherlands, Germany and the United States counted 2.1 million, 6.5 million, 27.2 million and 85.6 million fixed broadband customers, respectively (Source: OECD).

Growth in the French broadband market is characterized by an increase in monthly multi-play ARPU, which grew steadiliy from an average of €24.6 in 2006 to an average of €36.5 in 2011.

Primary Distribution Platforms—DSL and Cable

DSL is the leading broadband Internet access platform in France, with 21.5 million subscriptions as of June 30, 2012, representing approximately 92% of the total broadband Internet market (Source: ARCEP). The maximum speed provided via DSL is limited to 28 Mbits/s, compared to 100 Mbits/s to 200 Mbits/s via cable.

In order to offer broadband Internet speeds that may exceed those that are currently possible over the cable network, DSL providers are installing FTTH connections. A substantial challenge facing the expansion of FTTH is that such technology is capital- and time-intensive, requiring significant digging and rewiring. While FTTH Internet providers have to make heavy investments, we believe that we can invest efficiently and generate high incremental returns while responding to customer demands. Several municipalities in France have and continue to offer subsidies to network operators that build FTTH connections and some municipalities, districts (*départements*) and regions have entered into public–private partnerships to stimulate such investment. As of June 30, 2012, FTTH broadband Internet subscribers stood at approximately 247,000, accounting for approximately 32% of the French very-high-speed broadband Internet market (Source: ARCEP).

Cable has emerged as an increasingly important broadband Internet access platform in France as a result of our strategy to upgrade our networks, provide new digital services to customers, leverage existing customer relationships and drive branding initiatives. As of December 31, 2011, while cable represented approximately only 5% market share of broadband Internet subscriptions, it was the dominant platform for very-high-speed broadband services (Source: ARCEP), which refers to Internet download speed higher than 50 Mbits/s and upload speeds higher than 5 Mbits/s. The cable platform provides Internet speeds of up to 200 Mbits/s, with a potential to reach up to 400 Mbits/s speeds.

The following table illustrates the development of market shares of FTTH and cable for the provision of very-high-speed broadband services in France from 2009 to 2011:

	2009	2010	2011
	(% of French very-high-speed broadband subscriptions)		
FTTH	24%	25%	30%
Cable	76%	75%	70%

Source: ARCEP.

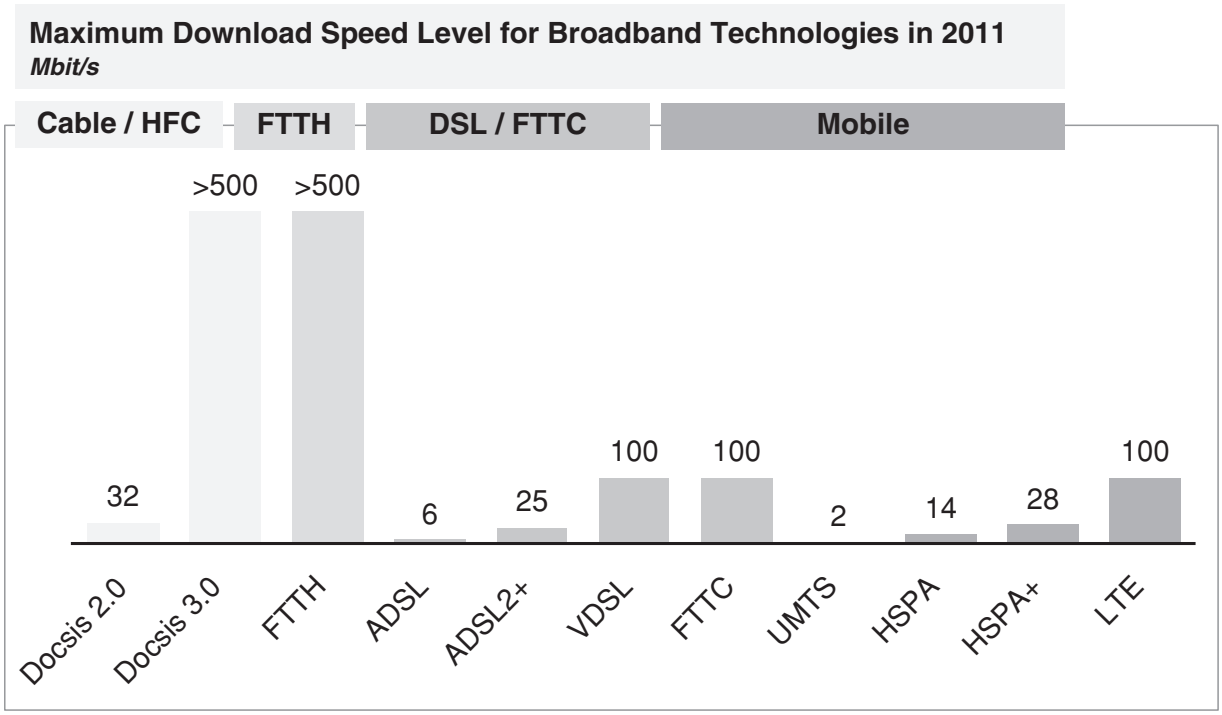
The following table illustrates the growth of the provision of very-high-speed broadband services by Numericable and its competitors in France from June 30, 2011 to June 30, 2012:

	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012
	(number of French very-high-speed broadband subscriptions, in thousands)				
Numericable (including White Label)	401	425	466	497	515
Others	154	175	198	220	245
Total	555	600	664	717	760

We also compete with service providers that use other alternative technologies for broadband Internet access, such as 3G mobile Internet. As of June 30, 2012, there were 30.4 million active 3G mobile subscribers in the French market and 3.3 million Internet-exclusive SIM cards (Source:

ARCEP). Mobile operators' network capability can be further enhanced by Long-Term Evolution ("LTE") network roll-out, enabling the provision of higher-speed mobile broadband. In October 2011, France Telecom-Orange, SFR, Bouygues and Free were awarded licenses in the 2.6 GHz spectrum range suitable for the deployment of 4G/LTE networks. Mobile broadband operators, however, currently only offer speeds and capacities significantly lower than cable and DSL operators. We believe that cable will be the only broadband Internet infrastructure alternative to DSL with an extensive coverage and high bandwidth for the foreseeable future.

The following table illustrates the maximum download speed levels (in Mbits/s) for broadband technologies in 2011:



Source: Solon, Nordig.

In addition, alternative access technologies may be launched in the future that will further increase competition or force us to increase capital expenditure for additional upgrades. We expect competition, including price competition, from these alternative technologies to increase in the future.

As of June 30, 2012, France Telecom-Orange is the largest broadband Internet access provider in France with approximately 9.9 million subscribers, followed by SFR, Free and Bouygues Telecom with approximately 5.1 million, 5.1 million and 1.4 million subscribers (Source: company reports).

Telephony

Fixed-Line Telephony

In 2011, the size of the French fixed-line telephony market was €16.0 billion. As of June 30, 2012, there were 39.34 million fixed-line telephony subscriptions in France, down from 39.96 million a year earlier. France Telecom-Orange, the incumbent fixed-line telephony service provider in France, is the largest provider of fixed-line telephony services in the French market, with 34.1 million fixed telephony lines as of June 30, 2012.

The market for residential telephony in France faces pressure from alternative carriers, declining mobile phone charges and interconnection rates, as well as alternative access technologies and other methods of Internet telephony offered via broadband Internet connections. The fixed-line telephony market is relatively price sensitive and already on a low price level internationally. In recent years, fixed-line telephone calls have been transformed into a commodity and have become increasingly dependent on a quality broadband offering, because telephony is increasingly bundled with broadband services. Fixed-line telephony has experienced price erosion over the past few years, with operators increasingly offering flat-rate products. We expect increasing competition, including price competition, from traditional and nontraditional fixed-line telephony providers in the future.

Mobile Telephony

In 2011, the size of the French mobile telephony market was €19.0 billion. As of June 30, 2012, there were 70.4 million total mobile subscriptions in France, up from 66.0 million a year earlier, representing a penetration rate of approximately 107.9% of the French population. Post-paid customers constituted 74% of this market while prepaid customers constituted 26% (Source: ARCEP). The growth in mobile subscriptions is mostly driven by the post-paid contract segment, which grew approximately 10% from June 30, 2011 to June 30, 2012. The prepaid contract segment shrank by 1.2% over the same period, partly as the result of operators migrating subscribers to potentially higher value monthly bills with Internet access. The French market for mobile services is still growing in terms of subscribers, but price levels are decreasing and we expect increasing competition, which will lead to price erosion.

Until January 2012, three mobile network operators were active in the French market: France Telecom-Orange, SFR and Bouygues. Free was awarded the fourth mobile license in 2009, and it launched mobile telephony services in February 2012. Free's entry into the mobile market has had an adverse impact on the results of operations of some of our competitors including, Bouygues Telecom, France Telecom-Orange and SFR, all of which experienced a decrease in EBITDA derived from telecommunications services in the six months ended June 30, 2012. Due to our lower exposure to the mobile telephony market, we managed to achieve a slight growth in our EBITDA over the same period. In recent years mobile operators utilized their networks by allowing MVNOs to sell their own branded mobile products. As of June 30, 2012, MVNOs represented a combined market share of 11.4% of the mobile market in mainland France, compared to 9.4% a year earlier.

BUSINESS

Overview

We are the sole cable operator in France. We are a leading provider of television and broadband Internet services in our network area in France. We primarily offer triple- and quadruple-play packages, which include television, broadband Internet and fixed-line telephony services and, in the case of quadruple-play packages, mobile telephony services. We also sell triple-play packages under our White Label offering to third-party operators (Bouygues, Darty and Auchan) who resell them under their own brand names. We also offer analog television services to residential customers, bulk digital services to multiple-dwelling unit managers and infrastructure-based services to other telecommunications operators. As of June 30, 2012, we served approximately 1.3 million direct residential subscribers, approximately 246,000 White Label end-users and approximately 1.8 million bulk customers.

We believe that our cable network is one of the most technologically advanced in Europe. It utilizes hybrid fiber and coaxial cable and is fiber-rich, which gives it inherent capacity, speed and quality advantages compared to copper-based DSL networks. Our cable network is deployed in more than 90% of French cities of over 100,000 inhabitants and is one of the two core end-to-end networks with extensive local loop infrastructure in France, the other being owned by France Telecom-Orange. As of June 30, 2012, our network connected over 9.8 million, or approximately 35% of, French homes, including approximately 4.6 million homes connected to our EuroDocsis 3.0-enabled network by an FTTB connection, approximately 3.8 million homes connected to our EuroDocsis 2.0-enabled network and 1.5 million homes connected to our standard coaxial cable network without bi-directional capability. The part of our network that uses EuroDocsis 3.0 technology currently provides a maximum download speed of 200 Mbits/s, which is the highest available in France on a large scale and allows our customers to connect several devices (such as computers, tablets and smartphones) simultaneously without impairing the quality of television signals or the speed and quality of the Internet connection. We believe this download speed gives us an advantage over our competitors. The part of our network that uses EuroDocsis 2.0 technology provides a maximum download speed of 30 Mbits/s, which, we believe, is higher than our DSL competitors. Both the EuroDocsis 3.0 and the EuroDocsis 2.0 technologies enable us to offer our customers interactive services requiring large bandwidths, including HDTV and 3D-TV. We believe that the picture quality of our television product, especially for HDTV channels, is superior to that of the IPTV technology used by our competitors and that this will become an increasingly important differentiator, especially for customers with wide-screen television sets. The part of our network that uses standard coaxial cable allows us to provide television services. Our overall network, which is comprised of a combination of networks we inherited from French cable operators we acquired and the network of our affiliate Completel, is operated as a single network pursuant to several long-term IRUs with Completel and France Telecom-Orange and various agreements with public authorities.

Numericable was formed through the consolidation of numerous French cable operators, including Numericable, Noos and Est Video Communication, which was completed in 2005 and 2006. Our predecessor companies were offering predominantly only television services and had not yet commenced the commercial offering of broadband Internet services. We subsequently focused on integrating our customer offers and back-office functions, which resulted in Numericable growing less strongly than other European cable operators, and upgrading our networks to offer triple-play services. Following the full integration, we have focused since 2009 on our triple-play offer and migrating analog and digital video-only customers to multi-play packages. We also added White Label services to increase our market penetration. The success of our multi-play strategy is demonstrated by the increase in the number of customers that subscribe to our digital multi-play products (from approximately 850,000 customers as of December 31, 2009 to approximately 942,000 as of June 30, 2012) and the decrease in the number of customers that subscribe to our stand-alone digital pay-television offering (from approximately 356,000 customers as of December 31, 2009 to 242,000 as of June 30, 2012).

For the six months ended June 30, 2012, our revenue was €436.3 million, a 1.7% increase over the six months ended June 30, 2011; our EBITDA was €219.5 million, a 3.2% decrease over the six months ended June 30, 2011; and our ARPU generated by direct digital subscribers was €41.0 per month for the three months ended June 30, 2012, a 1.7% increase over the three months ended December 31, 2011. For the year ended December 31, 2011, our revenue was €865.1 million, a 2.1% increase from the year ended December 31, 2010; and our EBITDA was €425.3 million, a 4.9% increase from the year ended December 31, 2010.

We provide the following services to our customers:

Residential Digital Services. We provide television, broadband Internet, fixed-line telephony and mobile telephony services to residential subscribers and small businesses. We primarily offer triple- and quadruple-play packages which enable subscribers to conveniently subscribe to television, broadband Internet and fixed-line telephony services and, in the case of quadruple-play packages, mobile telephony services, together at attractive prices. We market our triple- and quadruple-play services aggressively and although our focus is now on providing our existing and new customers with multiple-play services, we continue to offer stand-alone television, broadband Internet, fixed-line telephony and mobile telephony services to our existing customers.

Triple- and quadruple-play. As of June 30, 2012, subscribers to our triple- and quadruple-play offerings represented approximately 63% of our direct digital subscribers and approximately 58% of our overall direct subscribers (calculated, in each case, excluding our White Label end-users). The quality of our triple-play offering was recognized by 01net, which ranked us first in terms of overall service quality both in Paris and in France generally in June 2012. On May 15, 2011, we launched our quadruple-play offering, capitalizing on our MVNO agreements with Bouygues Telecom. We believe it has proven successful, with an increasing portion of our new customers subscribing to quadruple-play offers.

Television. Our television offering is available at prices similar to those of our competitors and includes 200 - 320 digital television channels, including up to 37 HDTV channels. We believe that our television services are among the most attractive in the French market, with (i) higher picture quality and more HDTV channels than our DSL competitors, (ii) interactive functionalities such as video-on-demand (VOD) and catch-up television, and (iii) innovative features such as 3D-TV. We also offer customers in our network area the opportunity to subscribe to packages of channels with different themes, such as sports and drama. The quality of our television offering was recognized by *L'Observatoire de la Haute Définition* (a report on HD published by specialist consultancy firm NPA Conseil) and *Mediatvcom*, each of which ranked us first in France for the quality of our HDTV offering in 2010 and 2011.

Broadband Internet. Our broadband Internet offering provides download speeds of up to 200 Mbits/s in our EuroDocsis 3.0 network areas and up to 30 Mbits/s in our EuroDocsis 2.0 network areas, which we believe are higher than those offered by our DSL competitors for similar prices and makes our offering one of the most attractive in the French market. The high quality of our broadband Internet offering is confirmed by NetIndex.com, a website anonymously compiling global Internet speed data, which ranked us first in France in terms of speed over the period from April 2010 to October 2012.

Fixed-line telephony. Our fixed-line telephony services, which use VoIP technology, offer our subscribers unlimited local and national fixed-line telephone calls, unlimited telephone calls to selected foreign countries and a variety of value-added telephony features.

Mobile telephony. We believe that our mobile telephony services, which we provide under our MVNO agreements with Bouygues Telecom, provide our customers with one of the best

value-for-money mobile telephony offerings in France with unlimited national calls to both fixed and mobile telephones, unlimited text messaging and unlimited national data access. We do not currently offer free or subsidized handsets, and do not intend to do so. In January 2012, following Free's entry into the mobile telephony market with an unlimited offer at €19.99 per month, we launched a new mobile telephony offering at €19.99 per month to new and existing customers, which includes unlimited calls in France and 40 international destinations in Europe and North America, unlimited text messages and up to 3 GB of mobile Internet. Customers of our new offering do not have to contract to a tie-in period. Our new plan is the only unlimited mobile service at this price available in stores, with personal customer service, unlike Free and other operators' low-cost brands, whose offerings are available only online.

As of June 30, 2012, we provided multiple-play packages to approximately 942,000 subscribers, an increase of 2.0% from June 30, 2011, and provided stand-alone digital television to approximately 242,000 subscribers, a decrease of 16.4% from June 30, 2011. Our residential digital services generated €325.2 million, representing 74.5% of our total revenues for the six months ended June 30, 2012.

White Label Services. We provide White Label triple-play services to leading French retailers Darty and Auchan and telecommunications operator Bouygues Telecom under long-term contracts, allowing them to sell triple-play packages under their own brands to their own subscribers. Our White Label services are tailored to the needs and requirements of each of our customers. They include television content and broadband Internet access, as well as the products and services that each retailer or operator prefers to source from us, such as fixed-line telephony services for our customers who do not own a telephony network, set-top boxes, maintenance, customer care and billing. Our White Label offering has been a key component of our growth since 2009 and we expect it to be an important part of our business in the future. As of June 30, 2012, we provided White Label triple-play services to approximately 246,000 end-users, an increase of 69.0% from June 30, 2011. Our White Label services generated €26.8 million of revenues in the year ended December 31, 2010, €53.8 million in the year ended December 31, 2011 and €34.7 million in the six months ended June 30, 2012, representing 7.9% of our revenues for the six months ended June 30, 2012. We believe that each White Label customer makes an economic contribution to our overall profitability similar to that of an individual digital customer.

Bulk Services. We offer a basic triple-play package to building managers, which includes a basic digital television package of 48 channels, 30 radio channels, unlimited broadband Internet access up to 2 Mbits/s and unlimited inbound fixed-line telephone calls, as well as basic television services, for a fixed subscription fee per apartment, irrespective of whether our services are actually used by the residents. Our bulk offering gives us the opportunity to up-sell to residents some of the individual digital packages we otherwise offer. We typically enter into long-term contracts of five years for the supply of our bulk services. Our bulk services generated €35.7 million, representing 8.2% of our total revenues, for the six months ended June 30, 2012.

Analog Services. We continue to provide analog television services to approximately 117,000 individual subscribers as a legacy product offering. The transition in France from analog to digital television broadcasting was completed in November 2011. DTT allows the public to receive a free television package that is comparable to our analog package. In response, we have developed targeted promotional triple-play offers to migrate certain of our existing analog customers to digital television. Our analog services generated €19.6 million, representing 4.5% of our revenues for the six months ended June 30, 2012. We do not expect to continue offering our analog services in the long term.

Wholesale Services. We provide infrastructure-based wholesale services, including IRUs, resale of bandwidth capacity on our network and related maintenance services to other telecommunications operators. Our wholesale services generated €21.3 million, representing 4.9% of our revenues for the six months ended June 30, 2012.

Our Competitive Strengths

We believe that we benefit from the following key strengths:

We are the sole cable operator in the attractive French market. We are the sole cable operator in France. Our hybrid fiber coaxial network based on FTTB technology allows us to provide speed levels and television image quality and reliability that cannot currently be matched by our DSL competitors and is particularly well suited for the provision of services with high bandwidth requirements. As a result, we have successfully taken advantage of existing opportunities to up-sell broadband Internet access, telephony and digital television services to our existing cable television customer base, increasing our average services per customer from 1.95 on December 31, 2009 to 2.33 services on June 30, 2012. The size of the French broadband Internet and triple-play subscription market in 2011 was approximately €8.9 billion (Source: ARCEP), and offers attractive growth prospects. In that context we believe that we are well positioned to seize upcoming opportunities, increase our revenues and improve our profitability.

Our state-of-the-art and highly invested network provides us with a competitive edge over our competitors to offer higher quality triple- and quadruple-play services. We are the sole cable operator in France and one of the two operators, alongside France Telecom-Orange, to own core end-to-end infrastructure from the backbone to last-mile customer access. We believe that our state-of-the-art, highly invested fiber and coaxial cable network allows us to offer services that are superior to those of our competitors in terms of picture quality, speed, connection reliability and value-for-money. Fiber and coaxial cable networks have inherent capacity and quality advantages compared to copper-based DSL networks and as a cable operator, we are currently able to offer more capacity for simultaneous distribution of digital television, high-speed broadband and fixed-telephony services. As of June 30, 2012, a portion representing over 85% of our network and connecting 8.4 million French homes was fully upgraded to bi-directional capability, thus enabling us to provide these 8.4 million homes with triple-play services. As of the same date, over 4.6 million homes within our footprint were connected to a EuroDocsis 3.0-enabled network by an FTTB connection, allowing us to offer what we believe are the highest quality and most reliable digital services generally available in the French market, including HDTV, 3D-TV, the most sophisticated interactive television services such as VOD and catch-up television, and the fastest broadband speeds (200 Mbits/s). We believe that, in order to provide comparable television services and broadband Internet speeds using currently available technologies, our competitors would be required to make significant investments over several years. An average French household is already equipped with 5.5 devices and we expect that bandwidth requirements will increase for HDTV and 3D-TV services as a result of more devices using the same connection. We believe that our existing network assets allow us to meet those future connectivity requirements at lower investment costs than our competitors.

Our recent set-top box "La Box" allows us to attract premium customers and promote the sales of our premium services. We launched La Box, our all-in-one integrated set-top box and cable router in January 2012, and generalized its commercialization in May 2012. We believe it is one of the most powerful and interactive set-top boxes in France. We expect that the introduction of La Box will result in the increase of our ARPU by attracting new customers and prompting existing customers to upgrade to our premium packages, which offer La Box as standard. Currently, approximately 75,000 units of La Box are in use by our customers, of which approximately 52% were purchased by our existing customers and the remaining 48% by our new customers. Over 65% of our new subscribers have subscribed to our premium packages, including the Power and Power+Family packages. We expect that La Box will also promote the sales of our other premium services. LaBox also includes a number of services, such as OTT cloud support for remote access to content and integrates applications such as Facebook and Twitter. We aim to continue to add new services each quarter to keep our offering relevant and current.

We continue to successfully migrate our subscriber base to multiple-play. Offering bundled services has become increasingly important for media and telecommunications service providers to meet customers' communication and entertainment requirements. Additional convenience and cost savings that result from acquiring television, broadband Internet and telephony services from a single provider for an all-in price is a key driver of consumers' behavior. We believe that we have a clear technological advantage to capture further growth in the market for multiple-play bundles in our network area because we can offer our cable television customer base an attractive combination of interactive digital television, broadband Internet and fixed-line telephony services with unrivalled speeds and flexibility. We constantly adapt our business model to new trends and aim to maintain a technological edge. We believe that our customers recognize these differentiating factors and allow us to hold a significant triple-play market share in our market areas, consisting of cities with populations exceeding 100,000 and persons between the ages of 25 and 49 (approximately 16% in our market areas compared to 5% nationwide). In May 2011, we launched our quadruple-play offering, which has proven very successful. As of June 30, 2012, 942,000 subscribers, or approximately 63% of our total direct digital subscribers, subscribed to one of our multiple-play packages. Our gross-adds ARPU is growing rapidly (from €37.2 for the three months ended December 31, 2010 to €43.4 for the three months ended June 30, 2012). In the three months ended June 30, 2012, our gross-adds ARPU was 5.9% higher than our customer-base ARPU.

Our White Label offering allows us to reach a wider variety of customers and maximize the use of our network. The long-term contract we entered into with Darty in 2008 marked the launch of our White Label services. We sell triple-play package services to Darty, who then resells them under its own brand name to its own customers, over our network. We entered into additional White Label contracts with Auchan in 2008 and Bouygues Telecom in 2009, and as of June 30, 2012 we served approximately 246,000 indirect end-users under all of our White Label contracts. Our White Label offering allows us to maximize the utilization of our network and to benefit from our White Label clients' distribution capabilities and brand recognition, and we are able to add new users to our network at minimal subscriber acquisition costs and under commercial terms generating profitability similar to our direct subscribers. Our White Label business generated €26.8 million of revenues in the year ended December 31, 2010, €53.8 million in the year ended December 31, 2011 and €34.6 million in the six months ended June 30, 2012.

We benefit from strong and stable cash flows, operating leverage, and controlled and scalable costs and capital expenditures. Our large customer base and monthly subscription revenue provide us with significant predictability of future revenue and strong recurring cash flows, which have historically proven to be resilient, even during periods of challenging economic conditions. In addition, as a result of the high level of prior investment in our network, we believe that we can enhance our offerings at a lower cost than our competitors who do not operate a cable network, and that, if necessary, we can effectively limit our capital expenditures over the next several years to the incremental upgrades required by new subscriptions and increased usage, which enables us to maximize returns on investment. For each of the year ended December 31, 2011 and the six months ended June 30, 2012, approximately two-thirds of our capital expenditures were related to maintenance, and one-third was success-based. For the six months ended June 30, 2012, our total revenue was €436.3 million and our EBITDA was €219.5 million, resulting in an EBITDA margin of 50.3% and a cash flow conversion ratio (defined as (EBITDA *minus* capital expenditure)/EBITDA) of 54.2%.

We have a highly experienced management team with a successful track record and we benefit from strong shareholder support. Our management team has a proven track record of developing and implementing our profitable growth strategy. Prior to joining Numericable, members of our management team successfully managed a broad range of telecommunications and technology businesses. For example, Eric Denoyer, our chief executive officer since December 2010, coordinated the acquisition of our predecessors, France Telecom Cable, TDF Cable and NC Numericable by Altice

and Cinven in 2004, served as our managing director from 2005 to 2008 and was appointed head of the wholesale business unit of Completel from 2008 to 2010. Prior to joining our Group, he headed the corporate division of French Internet service provider Tiscali from 2003 to 2004. Thierry Lemaître, our chief financial officer since April 2010, was head of financial control in several France Telecom-Orange divisions, including Orange's Multimedia, Fixed and Mobile Divisions and, prior to that, was chief financial officer of Wanadoo. Philippe Le May, our chief technical officer since 2007, has held positions as head of the network architecture division of Neuf/Cegetel and as head of network engineering at Lyonnaise Communication and UPC, two of our predecessors. Jérome Yomtov, our general secretary, previously worked at the French ministry of economy, finance and industry and the ARCEP. We are also supported by our shareholders Altice, Carlyle and Cinven, each of which has extensive experience in investing in and developing telecommunications companies.

Our Business Strategy

Maintain sustainable growth by providing new and existing customers with additional products and services, including triple- and quadruple-play products. We believe that our state-of-the-art network provides us with a superior technological infrastructure for delivering high-quality television, higher-speed Internet and superior triple- and quadruple-play services at attractive prices. We plan to further leverage this valuable asset by continuing to introduce innovative and technologically advanced products to our customers at competitive prices, cross- and up-selling triple- and quadruple-play services to our existing customer base, as well as through increasing sales of value-added services, such as VOD and premium packages. We plan to increase our triple- and quadruple-play customer bases by attracting new customers, particularly through our new La Box offering, and to increase our ARPU by up-selling additional services, such as higher-speed broadband Internet or additional HDTV channels.

Deliver additional growth through our White Label offering and public–private partnerships. We intend to capture significant growth from our White Label products, which allow us to maximize the utilization of our network and to benefit from our White Label clients' distribution capabilities and brand recognition, in order to add users to our network under commercial terms generating profitability similar to that of our direct subscribers. Since 2009, we gained more than 173,000 additional residential end-users through our White Label offering, at minimal subscriber acquisition costs. We believe that our White Label offering has been a key component of our growth since 2009, and we intend to continue to explore opportunities to enter into additional White Label contracts. We also intend to bid for public–private partnerships for the deployment of fiber networks on behalf of local authorities, such as DSP 92, our fiber deployment project in the Hauts-de-Seine District.

Continue to lead the market in product innovation. As we have done in the past with the launch of 100 Mbits/s and 200 Mbits/s download speeds in France and our unlimited mobile telephony offer, we will continue to focus on product and service differentiation and innovation. We will continue to enhance our television offering through increasing the quality of our HDTV services and 3D-TV and the diversity and quality of our content, as well as by developing value-added and interactive services, such as VOD, catch-up, live television on multiple devices (including tablets and smartphones) and live betting. We will rely on the higher speeds and capacity of our network to lead the market in the deployment of next-generation products and services in order to differentiate ourselves from our competitors and offer competitive value-for-money packages to our existing and new customers.

Further enhance customer satisfaction and reduce churn through operational excellence. We have launched and implemented anti-churn initiatives aimed at improving our customers' experience. This includes enhanced CRM systems, which allow us to better manage new subscribers, identify subscribers at risk of churning and offer special retention packages to these subscribers. We have also established key performance indicators, which we continuously monitor to assess our operational processes, sales and marketing efficiency and the reliability of our infrastructure. Our annualized churn rate for residential retail subscribers (excluding the termination of delinquent subscriber accounts) has declined

from 18.3% in 2009 to 17.2% in 2010. In December 2011, our annualized churn rate increased slightly to 19.4% primarily due to the cessation of analog terrestrial television transmission and the switch to DTT but returned to 17.9% in June 2012, a level that we expect to be sustainable.

Focus on profitable growth. We are committed to maximizing the return on our network and exploiting profitable growth opportunities. Given the scalability of our operations and our significant historical network investments, including our fiber roll-out, we are in a position to acquire additional customers at limited incremental cost and with high incremental returns. We expect our future capital expenditure to be "success-based", i.e., driven by the acquisition of additional customers as well as based on the improvement of our existing network, such as our FTTB deployment that we can accelerate or slow down depending on market conditions. This gives us more flexibility as to the timing of our future capital expenditure, which is selectively deployed based on revenue expectations, and which we believe will lead to predictable cash flow generation. We also expect to improve our cash flow conversion because we will continue to seek cost efficiencies in order to improve our EBITDA margin and overall profitability. We intend to deleverage both by dedicating our excess cash flow to repaying debt and by increasing our EBITDA.

Carefully evaluate and pursue strategic opportunities. We believe that the French television, broadband Internet and fixed and mobile telephony industries may be subject to further consolidation in the future. We and our shareholders have in the past considered the possibility of making selective acquisitions or other business combinations in order to take advantage of such consolidation and continue to do so. Any such acquisitions or other business combinations, if consummated, may be transformative in nature and could be material to our operations. However, neither our shareholders nor we are party to any agreement regarding any acquisitions or other business combinations and may ultimately decide not to pursue any prospective acquisition or other business combination.

Our History

Part of our cable network was built under the Cable Plan (*Plan Câble*) in the early 1980s by France Telecom-Orange, the incumbent telecommunication operator, and was initially operated by numerous local entities financed by both private and public funding. Another part of our network was built under the 1986 New Deal Plan (*Plan Nouvelle Donne*), a regulatory regime which allowed local authorities to set up their own networks or have networks built by private companies which were then granted concessions to operate them for periods of 20 to 30 years. As a result of this heritage, French cable networks were owned and operated by distinct entities with potential conflicting interests. This split intensified regulatory complexity and caused slower cable expansion in France compared to the rest of Europe. Market consolidation, however, began in December 2003 when the prohibition for cable operators to connect more than eight million households was lifted.

Our Group was formed in March 2005 when Ypso France, an entity controlled by investment funds Altice and Cinven, acquired the cable businesses of France Telecom Cable, TDF Cable and NC Numericable, making us the largest French cable operator. In 2006, Ypso acquired Est Video Communication, Coditel Belgium and Coditel Luxembourg from an affiliate of Altice as well as the cable business of Noos-UPC France from UPC Holding B.V., making us the sole cable operator with a significant presence in France. In 2007, all cable activities of Ypso France were grouped under a single brand, Numericable. Later that year, the acquisition by our shareholders Altice and Cinven of Completel, a wholesale provider of voice, data and Internet-related services to corporate clients, telecommunication operators and public authorities, gave us access to Completel's DSL and metropolitan fiber networks. In 2008, investment fund Carlyle acquired 38% of the share capital of Ypso France and by the end of that same year, we had combined the networks of Numericable and Completel to provide residential, corporate and wholesale services to our customers.

As part of our strategy to focus on the French triple- and quadruple-play market, we sold our Belgian and Luxembourg operations to several investors, including Altice, in June 2011.

Our Services

The historical foundation of our business was the provision of analog cable television services, and when such technology later emerged, digital cable television services. However, as consumers increasingly seek to receive their media and communications services in a single package from a single provider, we have shifted our focus towards offering our subscribers standard and premium television, broadband Internet, and fixed and mobile telephony subscriptions in the form of triple- and quadruple-play packages. We now primarily operate in the triple- and quadruple-play market, providing both branded and White Label services, and continue to provide television, broadband Internet, fixed and mobile telephony services on a stand-alone basis to our existing customers. We also provide analog television to residential customers, bulk digital services to multiple-dwelling units and wholesale services to telecommunications operators.

The following table summarizes certain information related to our operations as of and for the periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,
	2009	2010	2011	2012
	(Unaudited) (in thousands except percentages and ARPU)			
Footprint[1]				
Homes connected	9,758	9,798	9,833	9,853
Triple-play-enabled	8,240	8,299	8,368	8,402
Docsis 3.0 enabled & FTTB upgrades	3,513	4,171	4,285	4,569
Digital individual subscribers	1,267	1,275	1,238	1,218
Multiple-play	850	917	938	942
Stand-alone television	356	313	267	242
Other	61	44	34	34
White Label end-users	57	103	206	246
Total digital individual users	**1,324**	**1,378**	**1,444**	**1,464**
Analog television individual subscribers	263	195	133	117
Total individual users	**1,587**	**1,573**	**1,577**	**1,581**
Bulk subscribers	1,813	1,848	1,837	1,839
Churn—Individual subscribers	18.3%	17.2%	19.4%	17.9%
Stand-alone digital television	15.3%	14.9%	17.1%	18.5%
Analog television	13.7%	18.4%	25.2%	16.9%
Triple-play	21.4%	16.9%	18.1%	17.7%
ARPU per month—Digital Individual subscribers[2]		€38.9	€40.3	€40.7

(1) Operating data related to our footprint and penetration are presented as of the end of the period presented.

(2) Operating data related to ARPU are presented in euro per month (excluding VAT) for the periods indicated. They do not reflect ARPU from White Label end-users. ARPU for the six months ended June 30, 2012 has been calculated as the arithmetical average of the ARPU for the three months ended March 31, 2012 and the ARPU for the three months ended June 30, 2012.

Digital Services

Digital services include residential television, broadband Internet, fixed-line telephony and mobile telephony, either on a stand-alone basis or bundled into triple- and quadruple-play packages. Our digital services business generated revenue of €325.2 million for the six months ended June 30, 2012.

Triple- and Quadruple-Play Services

We offer triple- and quadruple-play services to customers who are connected to the portion of our network that has been upgraded to bi-directional capacity (using either EuroDocsis 3.0 or EuroDocsis 2.0 technology) and now represents approximately 85% of our overall network. As of June 30, 2012, subscribers to our triple- and quadruple-play offerings represented approximately 63% of our direct digital subscribers and approximately 58% of our overall direct subscribers (calculated, in each case, excluding our White Label end-users). As of June 30, 2012, we had approximately 942,000 triple- and quadruple-play subscribers, an increase of 2.0% from the triple- and quadruple-play subscribers we had as of June 30, 2011. We acquired over 53,000 quadruple-play subscribers between the launch of our quadruple-play offering in May 2011 and June 30, 2012.

Our triple- and quadruple-play offers combine our services into packages, thus enabling subscribers to conveniently order television, broadband Internet and fixed and/or mobile telephony services together. One of our predecessors launched its first triple-play packages in 1999, an offering we generalized through a unified brand upon being acquired by Altice in 2005. We launched these services to address the needs of customers increasingly looking to receive their media and communications services from a single provider at an attractive price. Since May 2010, we have extended our services to offering quadruple-play packages, capitalizing on MVNO agreements we have entered into with Bouygues Telecom. The several bundling options we have introduced allow our subscribers to combine cable television, broadband Internet and fixed and mobile telephony services for a price lower than the one they would pay by subscribing to each of these services on a stand-alone basis.

We believe that our triple-play and quadruple-play packages are among the most attractive currently available in France, due to the high quality of the television and broadband Internet services provided on coaxial cable and fiber, compared to those which are available from our DSL competitors that also offer multiple-play packages. We currently offer six packages including, iStart (an Internet-only offering), Start, Power, Power+Family, Power+Extra and Platinum. The entry-level packages, which include iStart and Start, primarily target students and young professionals. While iStart only includes television channels available free through DTT, Start offers 200 channels. Both iStart and Start include broadband Internet at a maximum download speed of 100 Mbits/s. The premium packages, which include Power, Power+Family, Power+Extra and Platinum, offer higher Internet speeds, more diverse television content and greater interactive and innovative services than the offerings of our DSL competitors. They include 240–320 digital television channels, 60 of which are accessible through our OTT cloud support for remote access on multiple devices (including tablets and smartphones) at no extra charge, broadband Internet at download speeds of up to 200 Mbits/s for subscribers connected to the EuroDocsis 3.0-enabled portion of our network and up to 30 Mbits/s for subscribers connected to the EuroDocsis 2.0-enabled portion of our network, and unlimited national and international phone calls.

The content and price of each of our six main packages are summarized in the table below:

Package	Services Offered	Cost per Month
iStart	Television: 19 TNT/DTT channels, including 4 HD channels Maximum Internet speed: 100 Mbits/s Fixed-Line Telephony: Unlimited calls to fixed and mobile lines in France and 100 other countries	€24.90 (offered only on the Internet)
Start	Television: 200 channels, including 10 HD channels Maximum Internet speed: 100 Mbits/s Fixed-Line Telephony: Unlimited calls to fixed and mobile lines in France and 100 other countries	€34.90
Power	Television: 240 channels, including 27 HD channels Maximum Internet speed: 200 Mbits/s Fixed-Line Telephony: Unlimited calls to fixed and mobile lines in France and 100 other countries Mobile Telephony: 60 minutes of voice and 60 text messages	€44.90
Power+Family	Television: 280 channels, including 33 HD channels Maximum Internet speed: 200 Mbits/s Fixed-Line Telephony: Unlimited calls to fixed and mobile lines in France and 100 other countries Mobile Telephony: 60 minutes of voice and 60 text messages	€54.90
Power+Extra	Television: 300 channels, including 36 HD channels Maximum Internet speed: 200Mbit/s Fixed-Line Telephony: Unlimited calls to fixed and mobile lines in France and 100 other countries Mobile Telephony: 60 minutes of voice and 60 text messages	€71.90
Platinum	Television: 320 channels, including 37 HD channels Maximum Internet speed: 200 Mbits/s Fixed-Line Telephony: Unlimited calls to fixed and mobile lines in France and 100 other countries Mobile Telephony: 60 minutes of voice and 60 text messages	€97.90

Our customers have the option to subscribe to add-on packs of extra sports, movies, adult, knowledge and discovery, family or gaming content at a monthly charge of €10.

In January 2012 we launched "La Box", an integrated set-top box and cable router that we offer to our Power and Power+Family customers. We believe that La Box is one of the most powerful and interactive set-top boxes on the French market. It can deliver (i) the Internet, at download speeds of up to 200 Mbits/s, and upload speeds of up to 10 Mbits/s to homes that are connected to a EuroDocsis 3.0 cable network, and at 30 or 100 Mbits/s to other homes, and a Wi-Fi connection of up to 300 Mbits/s; (ii) digital television services, with over 300 television channels (including Cine+, all Disney channels, all music channels from MTV, National Geographic, Planete+, Eurosport and ESPN America HD), and (iii) fixed-line telephony, with two telephone lines and unlimited calls to all of mainland France. This new set-top box and cable router has four tuners that allow subscribers to record two television programs simultaneously while watching a television program, as well as watch different channels in different parts of a house. Television can also be streamed to different kinds of screens (such as tablets and mobile devices). It has a four-tuner HD and 3D capability and also includes an 802.11n Wi-Fi router, a removable blu-ray reader, and a removable 160 GB PVR or optional 500 GB

PVR which allows it to hold over 110 hours of HD or approximately 280 hours of SD programming. Additional features include an optional Blu-Ray DVD player, access to social networking features such as Facebook and Twitter on television and a VOD price comparison engine and intelligent content search. La Box costs us approximately €200 per unit but we are able to pass on a charge of €75 to our customer by way of a deposit charge. As a result, the cost that we incur for each unit of La Box is similar to the cost that we incurred for our previous generations of set-top boxes.

Since the launch of our quadruple-play packages in May 2011, we have given our triple-play and stand-alone digital television subscribers the option of adding a mobile telephone subscription to their packages. These add-on mobile packages cost between €4.99 and €29.90. While our quadruple-play packages include a basic mobile subscription, our quadruple play customers may upgrade to a premium mobile subscription, such as *Forfait Ultra Mobile+Option Monde*, for €29.99 per month.

We derived, and believe we can continue to derive, substantial benefits from the trend towards bundled subscriptions, through which we are able to sell more products to individual subscribers, resulting in significantly higher monthly ARPU. We intend to continue marketing our triple- and quadruple-play products aggressively.

Stand-alone Digital Television, Broadband Internet, and Fixed and Mobile Telephony

Although our focus is to provide our customers with triple- and quadruple-play services, we continue to serve our existing customers who are subscribed to our stand-alone digital television, broadband Internet, fixed-line telephony and mobile telephony services.

Digital Television. As of June 30, 2012, we delivered digital television services to over 1.4 million individual subscribers, including approximately 942,000 multiple-play subscribers and 242,000 stand-alone television subscribers. Our television services are available to approximately 8.4 million households connected to our network, which include between 200 and 320 digital television channels (including between 27 and 37 HDTV channels), more than 40 digital radio channels, interactive television services such as VOD, catch-up television and innovative features such as 3D-TV. VOD allows subscribers to order recent movies and television shows for a fee while catch-up television allows subscribers to view on-demand television programming from a group of popular channels at any time within (typically) seven to 30 days after the programs were originally aired. Our VOD catalogue, which is comprised of over 20,000 shows and movies, is the largest available in France. We make 60 selected channels accessible live from multiple devices (including smartphones and tablets) for a small monthly fee to our low-end pay-television subscribers and at no extra charge to our high-end pay-television subscribers.

Our television offerings includes a variety of public and private channels from France, Europe, North America and North Africa, as well as special interest channels such as information, sport, music and home shopping channels. Our high-end quadruple-play package, Platinum, includes 320 channels (including 37 HDTV channels) and is one of the largest television channel packages in France. We also offer our customers the possibility of purchasing up to five additional packages of digital channels that contain several channels bundled together by theme, such as Pass Cinema and Pass Sport, which are currently our most popular packages.

Our television packages typically include, among others, the following channels:

Channel	Description	Channel	Description
TF1*	General Interest	Paris Première	Entertainment
France 2*	General Interest	AB1	Entertainment
France 3*	General and Local Interest	RTL9	Entertainment
France 4	General Interest	TF6	Entertainment
France 5	General Interest	serieclub	Entertainment
M6*	Entertainment	SyFy	Entertainment
Canal+	Entertainment	Pink TV	Gay Lifestyle
TV5 Monde	General Interest	Bloomberg Television	News
Arte*	Culture and Arts	LCI	News
D8*	General Interest	BBC World News	News
M6 Boutique	Home Shopping	L'Equipe TV	Sport
BFM TV*	Business News	Canal J	Children's Entertainment
Virgin TV	Entertainment	NRJ Hits	Music
NRJ12*	Entertainment	MTV	Music
Eurosport*	Sport	Ciné Fx	Movies
Infosport	Sport	Disney Channel	Children's Entertainment
Ciné Polar	Movies	MCM	Music

* Offered in HD.

Broadband Internet. As of June 30, 2012, we delivered broadband Internet services to over 952,000 subscribers, including approximately 924,000 multiple-play subscribers. We offer "always on" high-speed broadband Internet with a download speed of up to 200 Mbits/s in the EuroDocsis 3.0-enabled part of our network and up to 30 Mbits/s in the EuroDocsis 2.0-enabled part of our network. Our broadband Internet offerings typically include a free wireless broadband router, an account with up to 30 e-mail addresses, up to 200 MB of personal webpages and parental control services. We believe that some of our broadband Internet offerings are among the most advanced available in France.

Fixed-Line Telephony. One of our predecessors began offering fixed-line telephony services in 1999, an offering we generalized through a unified brand upon being acquired by Altice in 2005. As of June 30, 2012, we had approximately 905,000 fixed-line telephony subscribers, including 902,000 multiple-play subscribers. We mostly sell fixed-line telephony services in our triple- and quadruple-play packages because most installed cable broadband routers are equipped with, or can be easily exchanged for, a broadband router with two voice ports, which we expect will create especially attractive subscriber economics.

Mobile Telephony. The MVNO agreements we entered into with Bouygues Telecom in 2010 enabled us to strategically pursue opportunities in fixed-mobile converged telephone services and to launch our quadruple-play offering in 2011. As of June 30, 2012 we had approximately 60,000 mobile subscribers, nearly all of whom were quadruple-play subscribers. We offer stand-alone mobile telephony service at a price of €49.40 per month and as part of a package for an additional fee of €19.90 per month. In January 2012, following Free's entry into the mobile telephony market, we launched a new mobile telephony offer at a price of €19.99 per month to new and existing customers, which includes unlimited calls in France and 40 international destinations in Europe and North America, unlimited text messages and up to 3 GB of mobile Internet. Customers of our new offer do not have to contract to a tie-in period. Our new plan is the only unlimited mobile service at this price available in stores, with in-person customer service, unlike Free, whose offers are available only online. We believe we provide our customers with one of the best value-for-money mobile telephony offers in France with

unlimited national calls (both to fixed and mobile telephones), unlimited text messaging and unlimited national data access. We do not currently offer free or subsidized handsets.

White Label Services

We first began providing triple-play White Label services in October 2008 in connection with the launch by the leading French retailer Darty of its own branded triple-play offering, the "DartyBox". We sell our triple-play services to Darty, who resells them to its own customers under its own brand name. We entered into additional White Label contracts with leading French retailing company Auchan in 2008 and with mobile phone operator Bouygues Telecom in 2009, and continue to explore opportunities to enter into more White Label agreements.

Our White Label triple-play services are sold under long-term contracts and are tailored to the needs and requirements of each of our customers. They include television content and broadband Internet access services for each of Darty, Auchan and Bouygues Telecom, as well as fixed-line telephony services for Darty and Auchan, which do not own fixed networks. We also provide them with certain other products and services such as set-top boxes, maintenance, customer care and billing. For a description of the main terms of our White Label contracts, please see "—Material Contracts—White Label Contracts".

White Label services allow us to leverage the usage of our network, benefit from significant distribution networks of partners and reach customers we would not otherwise reach through our residential offerings. This in turn enables us to acquire end-users without associated acquisition costs under long-term commercial terms. Our White Label business has been a key component of our growth since 2009 and we expect it to be an important part of our business in the future. It generated €26.8 million in the year ended December 31, 2010, €53.8 million of revenue in the year ended December 31, 2011, and €34.7 million in the six months ended June 30, 2012.

Analog Television Services

Our analog television package, which includes 30 analog channels, is available to approximately 117,000 households located mainly in small and mid-sized cities in eastern France, which are connected to our network but are not digital-television enabled. It is also available to legacy customers on the rest of our network who have elected not to upgrade to one of our digital packages.

Following the European Commission's recommendation in 2005 that EU members cease analog television transmission and switch to DTT by January 1, 2012 and the "France Digital Plan 2012" enacted in October 2008 to promote the development of the digital economy, the deployment of DTT in France rapidly expanded and full transition to DTT broadcasting was completed in November 2011. We are not prohibited from providing analog cable television services and intend to continue providing such services until demand decreases to a level that is not economically viable. DTT allows the public to receive a free television package that is comparable to our analog package. In response, we have developed targeted promotional triple-play offers to migrate certain of our existing analog customers to digital television, where the upgrade of our analog network to digital made economic sense. Our analog television subscriber base decreased from approximately 263,000 subscribers as of December 31, 2009 to approximately 117,000 subscribers as of June 30, 2012, and we expect it to decrease further in the coming years, and ultimately phase-out. As a result, our revenue from our analog television business decreased from €91.8 million for the year ended December 31, 2009 to €51.1 million for the year ended December 31, 2011, and we expect it to decrease further in line with the erosion of our analog subscriber base.

Bulk Services

We offer bulk services to multiple-dwelling unit managers, such as managers of social housing who offer them to their residents, under long-term contracts of an average duration of five years. We offer multiple-dwelling unit managers a bulk triple-play package that includes a basic digital television package of 48 channels, 30 radio channels, unlimited broadband Internet access up to 2 Mbits/s, unlimited inbound fixed-telephone calls, and free Internet and telephony modems. Subscription fees are paid directly, generally on a quarterly basis, by the multiple-dwelling unit manager, irrespective of whether our services are actually used by the residents, which limits collection risk.

As of June 30, 2012, we provided our services to over 1.8 million residential customers under bulk contracts and our bulk services generated revenue of €35.7 million in the six months ended June 30, 2012. Our bulk services customer base has proved resilient over the years, providing us with a steady revenue stream. Our bulk services generated revenue of €79.5 million in 2009, €75.1 million in 2010 and €69.9 million in 2011. The decline in revenues from 2010 to 2011 resulted from the renegotiation of tariffs. We will continue to leverage our bulk services customer base with the aim of providing them with some of the other services we offer. We believe there are opportunities for us to up-sell individual triple-play and quadruple-play packages to the end-users of our bulk services.

Wholesale Services

We sell network infrastructure-based services, including IRUs or bandwidth capacity on our network, to other telecommunications operators and offer related maintenance services. Following the adoption by the ARCEP of new regulations in 2009, we also started acting as a building operator (*opérateur d'immeuble*), deploying vertical FTTH networks to apartment buildings and making such networks available to third-party operators and access providers under long-term IRUs. Deployment costs are shared with the telecommunications operators seeking access to the network in accordance with regulated tariffs and, during the term of the IRU, we provide maintenance services and charge maintenance fees to the operators who have access to the network. We have also developed a specific offer to connect and manage security cameras for municipalities and currently have contracts for over 430 cameras in place. In the future, we intend to sell our security camera services to public transportation companies. Our wholesale services generated revenue of €21.3 million in the six months ended June 30, 2012.

We also carry out wholesale activities through a joint venture, Sequalum, set up in 2008 with Eiffage, a French construction company, and LD Collectivités, a telecommunications infrastructure subsidiary of SFR. Sequalum was established to plan, deploy and operate an FTTH very-high-speed fiber network under a DSP in an affluent district adjacent to Paris. This DSP project is called DSP 92. A DSP is a form of public–private partnership under French law pursuant to which a public authority entrusts private entities to operate a public service in return for remuneration that is based on the results of operations of the service in question. We currently own 79.23% of the share capital of Sequalum. Fiber deployment started in October 2009 and the first customers were connected in 2010. Sequalum's investment in the project equals €400 million, including €59 million of subsidies provided by the Hauts-de-Seine District and mandatory co-investments by the operators who elect to have access to the relevant buildings. Pursuant to DSP 92, Sequalum benefits from a 25-year concession to operate the relevant fiber network. The Sequalum network, when fully deployed, will cover 100% of the territory of Hauts-de-Seine, via 2,600 kilometers of fiber cables, and reach 827,900 apartments and offices. It is open to all retail telecommunications operators, for a fee per connected household. Sequalum also charges fees for various services rendered to operators, such as the connection and disconnection of plugs, network capacity increases and the maintenance of the network, and sells capacity on its network to wholesale telecommunications operators. The access fees charged to retail telecommunications operators in a portion of Hauts-de-Seine that is classified as a "very dense area" are regulated by the ARCEP. Other fees charged by Sequalum are not regulated by the ARCEP. Please see "Regulation".

Future Products and Services

We aim to offer our customers new products and services in order to grow our business, develop the Numericable brand and increase customer satisfaction. We are perceived as an innovator in our industry and are typically among the first to introduce new technologies in our markets, such as a download speed of 200 Mbits/s, HDTV and 3D-TV.

Our Competitors

The television, broadband Internet and fixed and mobile telephony industries are competitive, and we face significant competition from established and new competitors in France. Please see "Risk Factors—Risks Relating to Our Business—We operate in competitive industries, and competitive pressures could have a material adverse effect on our business". Our main competitors include France Telecom-Orange, SFR, Free, Bouygues Telecom, CanalSat and Canal+. We believe that the French television, broadband Internet and fixed and mobile telephony industries may be subject to further consolidation in the future. The nature and level of the competition we face vary for each of the products and services we offer.

Triple- and Quadruple-Play. In the triple-play services market, we currently compete with France Telecom-Orange, SFR and Free, which as of June 30, 2012 held approximately 43%, 22% and 22%, respectively, of the French triple-play market. In the quadruple-play services market, we compete with France Telecom-Orange and SFR, as well as Bouygues Telecom, which launched quadruple-play packages in August 2010, May 2010 and May 2009, respectively. Free, which was awarded a mobile telecommunications license in 2009, launched mobile telecommunications services in January 2012 and has become an additional competitor in the quadruple-play market.

Television. We provide television services to viewers though our cable network and are the sole cable operator in France with approximately 99% of the market share for cable television. Our competitors provide television transmission using alternative technologies such as satellite, terrestrial transmission networks and IPTV. According to Screendigest (July 2012), distribution of television by IPTV accounted in 2011 for approximately 46% of all pay-television subscriptions in France, ahead of satellite, cable and DTT, which accounted for 31%, 17% and 7%, respectively. We also compete with providers of free-to-air television. Our main competitors in the television industry include France Telecom-Orange, Free and SFR, which provide television services to viewers in our network area using DSL broadband Internet connections and the Canal+ Group (including CanalSat and Canal+), which uses satellite, DSL and DTT transmission to reach viewers and has a particularly strong presence in premium television offerings.

Broadband Internet. DSL is the leading broadband Internet access platform in France, with 21.5 million subscriptions as of June 30, 2012, representing approximately 92% of the total broadband Internet market. Our main competitors are the DSL broadband Internet providers, France Telecom-Orange, Free, SFR and Bouygues Telecom. In 2011, the top three players France Telecom-Orange, Free and SFR accounted for approximately 88% of the overall French broadband Internet market share. We also compete with these same three operators in 3G mobile Internet services market.

Fixed-Line Telephony. We face significant competition from existing fixed-line telephony providers. France Telecom-Orange, the incumbent fixed-line telephony service provider in France, is the largest provider of fixed-line telephony services in the French market, with 34.1 million traditional fixed telephony lines as of June 30, 2012.

Mobile Telephony. Our main competitors in the French mobile telecommunications market are France Telecom-Orange, SFR and Bouygues. Free, which launched its mobile telecommunications services in January, has become an additional competitor. Free's new offer, which includes unlimited text messages, multimedia messages and calls, a fair-usage policy of 3 GB of mobile data and free calls

to 40 countries in Europe and North America, is made at a price of €19.99 per month, which is significantly lower than those offered by existing operators France Telecom-Orange, Bouygues Telecom and SFR. Free has been able to capture approximately 5.4% of the French mobile market within six months of the launch of its mobile telecommunications services. In response to Free's entry into the mobile telephony market, we launched a new mobile telephony offer for €19.99 per month to new and existing customers at the end of January 2012, which also includes unlimited calls in France and 40 international destinations in Europe and North America, unlimited text messages and up to 3 GB of mobile Internet.

Our Network

Network Overview

Our network provides cable television in analog, digital standard definition, full HDTV and 3D-TV formats, broadband Internet and fixed-line telephony services to residential customers who reside in our network area. We believe that our cable network is one of the most technologically advanced in Europe. It utilizes hybrid fiber and coaxial cable and is fiber-rich, which gives it inherent capacity, speed and quality advantages as compared to copper-based DSL networks. In particular, a fiber and coaxial cable offers a larger bandwidth than copper cable and, unlike the latter, it is not significantly affected by attenuation (i.e., a reduction in the strength of the signal) or distortion (i.e., a reduction in quality of the signal) when the signal is carried over a long distance. Our cable network is deployed in more than 90% of French cities of over 100,000 inhabitants and it is one of the two core end-to-end networks with extensive local loop infrastructure in France, the other being owned by France Telecom-Orange. As of June 30, 2012, our network connected over 9.8 million (or approximately 35%) of French homes, including approximately 4.6 million homes connected to our EuroDocsis-3.0-enabled network by a FTTB connection, 3.8 million homes connected to our EuroDocsis 2.0-enabled network and 1.5 million homes connected to our standard coaxial cable network without bi-directional capability. The part of our network that uses EuroDocsis 3.0 provides a maximum download speed of 200 Mbits/s, which is the highest available in France on a large scale and allows our customers to simultaneously connect several devices (such as computers, tablets and smartphones) without impairing the quality of television signals or the speed and quality of the Internet connection. We believe this download speed gives us an advantage compared to our competitors. The part of our network that uses EuroDocsis 2.0 technology provides a maximum download speed of up to 30 Mbits/s, which is higher than that of our DSL competitors. Both the EuroDocsis 3.0 and the EuroDocsis 2.0 technologies, associated with DVB-C broadcast capabilities, enable us to offer our customers interactive services requiring large bandwidths, including HDTV and 3D-TV. The part of our network that uses one-way standard coaxial cable allows us to provide analog and digital television.

While we own the hybrid fiber and coaxial cable in our network as well as the equipment, headends, hubs and certain other parts of the access network, we use Completel to extend the long-distance backbone. The physical infrastructures into which the cables are placed (such as ducts and poles) are either owned by us or by France Telecom-Orange. Please see "—Network History and Ownership" below. Several telecommunication operators can occupy or use the same physical infrastructure, or even the same telecommunication equipment.

Network History and Ownership

We built our network by acquiring and combining entities which themselves had built their networks under different legal frameworks, notably the 1982 Cable Plan (*Plan Câble*) and the 1986 New Deal Plan (*Plan Nouvelle Donne*). For a description of the Cable Plan and New Deal Plan, please see "Regulation". French cable networks, as a result of this heritage, were owned and operated by distinct entities with potential conflicting interests. This split intensified regulatory complexity and caused slower cable expansion in France compared to the rest of Europe. Market consolidation, however,

began in December 2003 when the prohibition for cable operators to connect more than eight million households was lifted.

Our current overall network, which is comprised of a combination of networks we inherited from cable operators we acquired and the network of our affiliate Completel, is in practice managed as a single network serving the needs of both the Completel group and our Group. The Numericable network is operated pursuant to several long-term IRUs and agreements for the occupation of public domains. For further information on these agreements, please see "—Material Contracts—Infrastructure and Network Agreements—Agreements Relating to the Installation and Operation of the Cable Network".

Fifty-five percent of our current network was built in the early 1980s under the Cable Plan by the French State and later transferred to France Telecom-Orange, the incumbent French telephone operator. It was initially operated by certain of our predecessors, local entities financed by both private and public funding, which we later acquired. At the time of these acquisitions, France Telecom-Orange granted us several IRUs on its civil engineering installations (mainly the ducts). These IRUs, which were entered into at different dates, were granted to us for terms of 20 years each and the first of these will be up for renewal in 2019. For a description of our IRU agreement with France Telecom-Orange, please see "—Material Contracts—Infrastructure and Network Agreements—Agreements Relating to the Installation and Operation of the Cable Network—France Telecom-Orange IRUs".

Thirty-eight percent of our current network was built by other predecessors under the New Deal Plan, a regulatory regime that allowed local public authorities to set up their own networks or have networks built by private companies which were then granted concessions to operate television cable networks over their territories for periods of 20 to 30 years. For a description of our long-term agreements with public authorities relating to the installation and operation of our cable network, please see "—Material Contracts—Infrastructure and Network Agreements—Agreements Relating to the Installation and Operation of the Cable Network—Agreements with Public Authorities under the New Deal Plan", and "Risk Factors—Risks Relating to Legislative and Regulatory Matters—The legal status of our network is complex and, in some instances, subject to renewal or challenge".

Seven percent of our current network is governed by ad hoc legal agreements such as long-term leases of public property *(conventions d'affermage)* or agreements for the occupation of public domains (*conventions d'occupation du domaine public*). Pursuant to these agreements entered into for terms ranging from ten to thirty years with local authorities, mainly municipalities, we can either (i) rent an entire network or (ii) install the necessary network equipment on certain public premises. Please see "—Material Contracts—Infrastructure and Network Agreements—Agreements Relating to the Installation and Operation of the Cable Network—Ad hoc Agreements with Public Authorities".

Technical Characteristics

The backbone (which refers to the principal data routes between large, strategically interconnected networks and core routers) is an optical wavelength that we use to transport all digital signals to our subscribers throughout France. Our affiliate Completel owns a large part of the backbone used for our network, and 50 metropolitan fiber networks. Completel can terminate this arrangement upon a change of control of either us or Completel. If we are unable to use Completel's backbone to provide our services, we believe that we could enter into IRUs with other telecommunication operators for the use of their backbone in approximately four weeks. As of June 30, 2012, our backbone included approximately 19,000 kilometers of fiber or optical cable and connects to approximately 28,000 kilometers of fiber local loops and 95,000 kilometers of coaxial cable local loops. This backbone is currently running "All-IP" and carries all of our communications traffic by using dedicated specific bandwidths for each of our digital television, high-speed broadband Internet and fixed-line telephony services. We find that this backbone has excellent capacity to meet our subscribers' needs.

The part of our network that uses standard coaxial cable to provide analog and digital television to approximately 1.5 million homes is not connected to our backbone. The distribution of our services within densely populated metropolitan areas is supported by local loops which are connected to the backbone and can address increased capacity needs. We own the local loops connected to our network. Subscribers connect to the network through a coaxial connection from one of our nodes. On average, approximately 210 homes are served by each of the approximately 40,000 optical nodes in our network. Network quality can deteriorate as customer penetration rates on any particular node increase above a certain number. When required, the scalability of our network enables us to address this problem, within limits, through node "splits" in which we install additional equipment at the node so that the same capacity serves approximately half of the initial homes. We use amplifiers to strengthen both downstream and return path signals on the local loop on a portion of our coaxial lines, but not on the EuroDocsis 3.0-enabled portion of our network to which subscribers are connected by an FTTB connection. The FTTB technology allows for fiber deployment to generally reach the boundary of our subscribers' building, such as the basement in a multi-dwelling unit, with the final connection to the individual living space being made via an alternative, non-optical means, typically a coaxial cable. By relying on existing coaxial cable within each building to reach each customer's apartment, the FTTB technology allows us to vertically integrate more customers at nominal cost.

We monitor, together with Completel, the performance levels of these networks on a continuous basis. The backbone network has been designed to include redundant features to minimize the risk of network outages and disasters and reroutes traffic in the opposite direction around the backbone in the event that a section of the backbone is cut. We have insured our buildings, head-end stations, nodes and related network equipment against fire, floods, earthquakes and other natural disasters, but are not insured against war, terrorism (except to a limited extent under our general property insurance) and cyber-risks. We carry insurance on our fiber optic network and property damage insurance for our coaxial network up to a capped amount and subject to exclusions.

Recent and Planned Network Investments

Major network reinforcement upgrades and fiber deployment were completed in 2008 and network capital expenditures have been limited since then. No major technology upgrade is planned for the coming years. We expect to continue to selectively deploy fiber on a continual basis, where a densification of our fiber network is necessary to improve our service to our customers. We generally upgrade our network to EuroDocsis 3.0 at the same time as we upgrade it to FTTB. Please see "Operating and Financial Review and Prospects—Capital Expenditure and Investments".

Technology and Infrastructure

Conditional Access System

Access to television channels offered in our pay programming packages is secured with a conditional access system that we purchased from Nagra France and Open TV Inc., each a subsidiary of the Kudelski group, as well as from Mediaguard. The conditional access system enables us to provide pay-television services, control access to particular pay-programming packages and charge fees on an individual subscriber basis. This system encrypts transmitted signals sent to subscribers and subscribers decrypt the signals using a set-top box and an access card. Upon signing a contract for our services, subscribers receive a set-top box together with an access card, which allows them to receive the pay programming offered. Each card is electronically matched with a particular decoder. We routinely check for and identify unauthorized access to our service because of the significant risks unauthorized access poses to our business and revenue.

Pursuant to our agreements with the Kudelski group and Mediaguard, we are granted software licenses and software solutions systems necessary for the delivery of certain of our services, including

the distribution of digital television, security systems, interactive applications, VOD platforms and digital television listings. In the event of a breach of our systems that cannot be cured, each of Nagra France and Open TV Inc., under the contract with the Kudelski group, is obligated, under certain conditions, to replace the conditional access system together with the cards provided to our subscribers and, if necessary, to adapt the set-top boxes to the new system.

Set-Top Boxes and Broadband Routers

To receive digital television services, our subscribers decode the digital signals using our HD interactive set-top boxes together with a smart card to decrypt the signals. Since 2009, we have purchased most of our set-top boxes from Sagemcom pursuant to supply contracts. In October 2011 we entered into a supply agreement with Sagemcom for our new set-top box, La Box. The initial term of this contract is until April 2014. It contains commitments from Sagemcom to deliver within a predefined schedule the ordered set-top boxes and a commitment from us to order minimum quantities of set-top boxes over the term of the contract.

We believe that using a single supplier is more efficient due to the complexity of these devices. However, we believe that we could source set-top boxes from alternative suppliers without suffering from significant disruptions or increased costs. Although our set-top boxes are designed by their respective manufacturers, we have increasingly participated in their development, especially with respect to the interface that appears on our customers' screen when they use the set-top boxes.

To access our high-speed broadband Internet and fixed-line telephony services, our subscribers must have a cable broadband router. Our current broadband Internet services portfolio consists of services with download speeds of up to 200 Mbits/s. Since 2007 and until recently, the broadband routers we supplied our subscribers with were all pre-EuroDocsis 3.0 (or "wide band Docsis") broadband routers that can provide download speeds of up to 200 Mbits/s. We now supply EuroDocsis 3.0 broadband routers that have the capacity to support download speeds of up to 400 Mbit/s. We usually purchase our broadband routers from Netgear and Castlenet and while we do not participate in the development of these devices, we ensure their compatibility with our systems and customize them where necessary.

Information Technology Systems

Our IT systems have been developed for the most part by our IT department. We develop in-house solutions because we believe in the importance of maintaining a high level of flexibility and the ability to adjust to changing market conditions. Our key IT systems are: (i) the sales services system, which mainly enables us to register and control the commercial operation of the sales network; (ii) the customer relationship management system, which enables us to provide comprehensive customer service with regard to complaints, subscriber profiling and the handling of special offers and collection processes; (iii) the reporting system, which enables the rapid preparation of reports on key indicators of the business, the automatic distribution of the reports to designated recipients and the preparation of reports and analyses by business divisions; and (iv) the subscriber management system, which facilitates new client authorizations, handles monthly subscription payments, tracks late payments, notifies delinquent accounts through on-screen "pop-up" messages, SMS, automated telephone messages and e-mail, provides for changes of packages, enables us to de-register clients upon the expiration of their agreements and automatically enables us to disconnect our services.

MVNO Infrastructure

We operate as a full capacity MVNO, which means that we have our own telecommunications infrastructure except for the radio network. This business model assures we have full control of our client offerings through our own billing system and enables direct interconnections to other operators,

and the opportunity to generate additional interconnection revenue. The radio network infrastructure is provided by leading mobile networks operators through domestic roaming agreements.

Our MVNO mobile telephone service is provided using MNO Bouygues Telecom's network. The service includes voice data transmission, SMS and multimedia messaging service, as well as data transmission using GPRS, Edge, HSPA and UMTS technologies. Our subscribers may also use international connections through our roaming service.

Our Customers

We sell our triple- and quadruple-play packages as well as our stand-alone television, broadband Internet and telephony services to residential customers within our network, which as of June 30, 2012 covered more than 90% of French cities of over 100,000 inhabitants, and over 9.8 million (or approximately 35%) French homes. We market our services directly to residential customers in single dwelling units and multiple-dwelling units such as apartment buildings, and to multiple-dwelling building managers such as managers of social housing. We typically enter into standard form contracts with our subscribers.

Sales and Marketing

We sell and market our products directly to customers using a broad range of sales channels, primarily through our dedicated Numericable stores, from other retail outlets, our website, inbound and outbound telesales and door-to-door sales. Proximity sales through our stores, retail efforts and door-to-door sales typically provide a higher ARPU, as our sales staff are able to promote our premium offerings through these sales channels. Our proximity sales efforts support product demonstrations, which allow our sales teams to promote the sales of La Box and our premium packages. We have divided our sales network in France into 151 selling zones, each under the responsibility of a local manager. Each zone has its own detailed monthly reporting system which provides regular updates on, among other metrics, numbers of new customers, churn rates, revenue generation and customer satisfaction.

As of June 30, 2012, we had 141 Numericable stores in France, 75 of which were run as franchises under exclusive distribution agreements. In the six months ended June 30, 2012, our overall network of Numericable stores generated approximately 34% of our total new subscribers. We continue to establish retail partnerships with leading French retail outlets (including FNAC, Boulanger, Carrefour and Cora) as part of our proximity sales strategy. In the six months ended June 30, 2012, sales made through our retail partnerships accounted for 12% of our total product sales.

We encourage customers to purchase our products and services through our website and we sell our products and services at lower costs when a subscription is bought online. Certain of our offerings, such as stand-alone broadband Internet, are marketed exclusively through our website. We believe our website provides customers with a clear understanding of our product prices. In the six months ended June 30, 2012, sales made through our website accounted for approximately 16% of our total product sales, telesales accounted for approximately 26% of our total product sales and door-to-door sales accounted for approximately 12% of our total product sales, in each case by number of subscribers. The remaining portion of our sales corresponds to existing customers renewing their subscription through our CRM systems.

Our marketing department is responsible for designing and promoting new products and services to customers and for advertising our offerings, with a particular focus on campaigns for our triple- and quadruple-play packages. We have marketed our products and services under the brand name "Numericable" since 2007 and have rebranded the products and services of the cable providers we have acquired since that time.

Customer Care and Billing

The customer service function is responsible for all customer care activities, including handling customer queries and complaints. In addition, customer service is also responsible for inbound telesales. We outsource most of our customer care functions to third-party service providers. Such providers employ operating procedures, tools and training that we provide. A team of in-house specialists handle the most complex customer care issues.

In 2009, we established a new anti-churn plan, aimed at improving the experience of our retail customers. This initiative included enhanced CRM systems, which allow us to better manage customers who recently subscribed to our services, identify customers at risk of churning, put in place an expert team in charge of complex customer issues, offer special retention offers to churners and repayment plans to insolvent customers. As a result of this plan, our annualized churn rate for residential retail subscribers (excluding the termination of delinquent subscriber accounts) declined from 18.3% in 2009 to 17.2% in 2010. In December 2011, our annualized churn rate increased slightly to 19.4% primarily due to the cessation of analog terrestrial television transmission and the switch to DTT but returned to 17.9% in June 2012, a level that we expect to be sustainable. Recent surveys have shown customer satisfaction for our products and services. *Ere Numérique*, a French magazine for digital products and services, described us in its November/December 2011 issue as being the "leader in fiber optics in France", referring to our ongoing commitment to partner with local authorities to extend our network to additional homes and the fact that we had approximately 450,000 of the overall 550,000 subscribers connected to very-high-speed (*très haut débit*) broadband Internet in France. As of June 30, 2012, we had approximately 515,000 of the overall 760,000 subscribers connected to very-high-speed (*très haut débit*) broadband Internet in France. We were also ranked first in several online surveys on French broadband Internet providers carried out by the websites *L'Internaute* (High Tech) and 01net, and the magazine *Micro Hebdo*. According to *L'Internaute*, which surveyed Internet users about broadband Internet features (including speed, fluctuation, connection, telephone prices and quality), we achieved an overall average grade of 13.2/20 which positioned us first, ahead of Free, SFR and Orange for the year 2010. The quality of our broadband Internet offering has also been confirmed by NetIndex.com, a website that anonymously compiles global Internet speed data, which has ranked us first in France for the speed of our Internet broadband offering over the period April 2010 to October 2012. IP-Label Newtest, which measures for 01net the performance of broadband Internet providers in Paris and Marseille, the two largest cities in France, ranked us first in terms of quality of triple-play offerings provided in June and July 2012.

We manage billing operations in connection with our branded services internally. We offer our individual customers the choice between electronic and paper statements, various prepayment options and the ability to pay by direct debit. As of June 30, 2012, approximately 48% of our customers had opted for direct debit payments.

Our Suppliers

We have relationships with several suppliers that provide us with hardware, software and services necessary to operate our network. Our main hardware and software suppliers include Sagemcom, Castlenet and Netgear, which manufacture set-top boxes and broadband routers on our behalf and for which we own the IP rights; Cisco, which provides cable router termination systems (i.e., equipment typically located in our head-end or hubsite that we use to provide high-speed data services); InfoCablys, which is our main IT supplier; Pro-Cable, which as our enterprise resource planning provider supplies us with billing and related soft- and hardware; and Nagra France, Open TV and Mediaguard, which provide our conditional access system.

We use a limited number of subcontractors to install broadband Internet, telephony and digital television equipment in subscriber homes, in addition to having a small portion of installations

performed by our own employees. Certain services can be self-installed by our customers, but most still require a professional installer. Our agreements require that the subcontractors maintain certain quality levels and use trained personnel, and we monitor the efficiency and quality of service provided by the subcontractor on a regular basis.

With the exception of Nagra France, Open TV and Mediaguard, we believe that we are not dependent on any one supplier or that the loss of any one supplier would have a material adverse effect on our business, and we could replace each of our key suppliers without materially disrupting our business. Please see "Risk Factors—Risks Relating to Our Business—We rely on third parties to provide services to our customers and to support our operations. Any delay or failure by such third parties to provide their services or products, any increase in the prices they charge us or any decision not to renew their contracts with us could cause delay or interruptions in our operations, which could damage our reputation and result in the loss of revenue and/or customers".

Material Contracts

Set forth below is a summary of certain material agreements to which we are a party.

Interconnection Agreements

Interconnection is the means by which users of one telephony network are able to communicate with users of another telephony network and, as the case may be, through a third telephony network. For a subscriber located on one telephony network to complete a telephone call to an end-user served by another telephony network, the subscriber's network service provider must interconnect either to the end-user's network, or to the network that transfers the call to the end-user's network. Typically, the network transferring the call and the end-user's network charge the subscriber's service provider a fee to transfer or to terminate the communication, which is based on a call set-up charge and on the length of the telephone call.

Pursuant to Directive 2002/19/EC dated March 7, 2002, concerning access to, and the interconnection of, electronic communications networks and associated facilities, France Telecom-Orange is required to provide interconnection services to other telecommunication services providers. We have entered into an interconnection agreement with an indefinite term with France Telecom-Orange. The agreement may be terminated by us upon three months' written notice. We have also entered into alternative interconnection agreements with other telecommunications services providers in France, such as SFR and Bouygues Telecom.

Network operators, including us, charge interconnection termination and transfer fees to terminate phone calls on their network that originated from a user on another network. Typically, the cost of interconnection fees that we pay is taken into account in the price we charge our subscribers. For the year ended December 31, 2011, we incurred interconnection fees of €48.2 million and received interconnection revenue of €5.9 million.

Content Agreements

We are party to several contracts with content providers, including TF1, the M6 Group and Canal+, for the distribution of digital television channels. These contracts are often entered into for terms of three years and subsequently renewed. We are currently negotiating the renewal of our contract with Canal+. Different compensation models apply, including revenue-sharing models, and remuneration may be based on a fixed fee or upon numbers of subscribers. In the last few years, we have voluntarily shifted from fixed-fee to subscription-based arrangements with our content providers.

We license our television programming content from third-party content providers. We enter into agreements directly with broadcasters, distributors and authors' rights societies in France, including

ANGOA and SACEM. In general, we pay license fees based on subscriber numbers to these content providers and our agreements with certain providers require us to pay minimum guarantees. We also pay royalties based on our subscribers' usage of on demand content. Please see "—Intellectual Property—Third-Party Copyrights".

Infrastructure and Network Agreements

Agreements Relating to the Installation and Operation of the Cable Network

Our overall cable network, which is comprised of a combination of networks we inherited from French cable operators we have acquired and the network of our affiliate Completel, is operated as a single network pursuant to long-term agreements with France Telecom-Orange and certain public authorities for the occupation of public domains.

France Telecom-Orange IRUs. We entered into four nonexclusive IRUs with France Telecom-Orange on May 6, 1999, May 18, 2001, July 2, 2004 and December 21, 2004, in connection with our acquisition of certain companies that operated cable networks built by France Telecom-Orange. For further information on the construction of such networks, please see "Regulation—Legal Status of the Cable Networks". These cable networks, accessible only through the civil engineering installations of France Telecom-Orange (mainly its ducts), are made available to us by France Telecom-Orange through these nonexclusive IRUs over such civil engineering installations. These IRUs each cover a different and identified geographical area and were each entered into for a term of 20 years. No IRU may be terminated by the parties prior to its 20-year term but none of them contain provisions for an automatic or tacit renewal at the end of such 20-year term. We are granted access to some of France Telecom-Orange's civil engineering installations to maintain and update our network, provided we comply with certain predefined operating procedures, but are not permitted to extend our network by using such existing civil engineering installations. Furthermore, France Telecom-Orange remains in charge of the maintenance of its civil engineering installations.

In 2008, the ARCEP ruled that France Telecom-Orange had to offer access to its ducts to other telecommunication operators to allow them to roll out their own fiber networks. The terms on which France Telecom-Orange makes its ducts available to other operators are less favorable than the terms we benefit from under the IRUs. On November 4, 2010 the ARCEP ruled that the operational procedures of our IRUs should be modified and aligned with the operational procedures granted by France Telecom-Orange to other operators. We therefore executed amendments to the IRUs with France Telecom-Orange in December 2011.

Agreements with Public Authorities under the New Deal Plan. The agreements we enter into with public authorities for the installation and operation of a cable network typically grant us concessions to (i) set up and maintain, at our cost, the cable network over a designated area of the relevant public territory, and (ii) operate the cable network for certain renewable periods. We entered into hundreds of these agreements. Although each of them has its own specificities, the contractual features described below are the most commonly encountered.

Under these agreements, we pay the public authorities an annual fee and are entitled to revenues generated by our operation of the cable networks. These concession agreements are entered into on an exclusive basis for periods ranging between 20 and 30 years from the date on which the *Conseil supérieur de l'audiovisuel*, the French audiovisual regulatory authority, granted its approval over the project. The concession is tacitly renewed at the expiration of its initial term unless it is terminated by either party subject to a notice period (usually three years). At the end of the concession, the rights granted to us under the concession will revert back to the public authorities, who will take possession of the network installed by us, subject, however, to the payment of a predefined indemnity. Public authorities are entitled to buy back the concession after an initial period (usually 15 years from the start of the concession) upon prior notice (usually one year).

There is currently some uncertainty on the legal classification of certain long-term agreements entered into with public authorities. The issue relates to the identification of agreements that can be categorized as agreements for the delegation of public services (*délégation de service public*). Under an agreement with a local authority for the delegation of public services, the infrastructure and equipment used to carry out the said public services (*biens de retour*) revert back to the local authorities upon expiration or termination of the agreement. Renegotiations of these agreements were imposed by laws passed on July 9, 2004 and March 5, 2007 with a view to clarifying the legal classification of these agreements. Moreover, the law of August 4, 2008 authorized local authorities to grant equal rights of access on their network to our competitors even if the agreement with such local authorities says otherwise. In a report dated July 2007, the ARCEP asserts that agreements concluded with local authorities in connection with the New Deal Plan are to be categorized as agreements for the delegation of public services. A number of French courts have expressed opposite views on the issue, stating that such categorization depends on the wording of each agreement.

We submitted a proposal, approved by the ARCEP in May 2010, that aimed to clarify the legal classification of the agreements we currently have in place with public authorities (mainly municipalities). We offered to novate these agreements and specifically agree that upon termination of such new agreements, the ownership of physical infrastructure would be granted to local authorities while ownership of all existing telecommunication equipment would revert back to us. We would, in consideration of the payment of rent, be granted a nonexclusive right to use the local authorities' infrastructure with its telecommunication equipment. We try to tie these contract renegotiations with negotiations for the roll-out of the existing network to very-high-speed optical fiber network depending on the term of the existing agreements, and have already signed approximately 20 agreements taking into account these new arrangements.

Ad hoc Agreements with Public Authorities. We have entered into a number of legal agreements such as long-term leases of public property (*conventions d'affermage*) or agreements for the occupation of public domains (*conventions d'occupation du domaine public*). Pursuant to these agreements which are entered into with local authorities, mainly municipalities, for terms ranging from 10 to 30 years, we can either (i) rent an entire network or (ii) install the necessary network equipment on certain public premises. Upon the termination of the agreements for the occupation of public domains, we must, at the option of the local authorities, (i) return the entire network to the local authorities, in some cases against the payment by the local authorities of an amount equal to the market value of the network, and in some cases free of charge (ii) remove, either at our cost or the cost of the local authorities, the equipment installed by us on the local authorities' premises or (iii) transfer the network to another operator, provided it is approved by the local authorities. Upon termination of the long-term leases, the network reverts back to the local authorities. Fees are typically paid on an annual basis, and vary depending on the size of the network, the number of users connected to the network and, if relevant, the scope of deployment of our own network on public premises.

Other Infrastructure and Network Agreements

We have entered into several agreements in connection with the extension and upgrade of our network, including fiber lease agreements and use of dark fiber link agreements. Such agreements have been set up mainly with other network owners in France, including France Telecom-Orange, SFR and Completel. Most of these agreements have a duration of three years or more from the date hereof. Some must be renewed within the next few years. Furthermore, we have entered into agreements with various suppliers for the delivery of hardware and software in order to upgrade and modify our cable network continuously.

White Label Contracts

We are party to three long-term White Label contracts with leading French companies Darty, Auchan and Bouygues Telecom pursuant to which we sell certain of our television, broadband Internet and/or telephony services to each of these counterparties, who then resell them as triple-play packages over our network under their own brand to their own subscribers. We provide telephony services to Darty and Auchan, who do not own fixed networks, but not to Bouygues Telecom. We continue to explore opportunities to enter into additional White Label agreements.

Our first White Label contract was entered into in October 2008 with Darty, an appliance retailing company, and our subsequent White Label contracts were entered into in 2008 with Auchan, a retailing company and in 2009 with Bouygues Telecom, a telecommunications operator. Our long-term contracts with Darty and Bouygues Telecom are not due to expire before 2021 and 2019, respectively, and negotiations are currently ongoing to renew the Auchan White Label contract which is due to terminate on December 31, 2012. The parties undertook to discuss the potential renewal of each of these agreements six months prior to such agreements' respective expiration dates. Each contract is tailored to the needs and requirements of our particular customers and offers television content and broadband Internet access, as well as the products and services that each retailer or operator prefers to source from us, such as fixed-line telephony services for our customers who do not own a telephony network, set-top boxes, maintenance, customer care and billing. Under the White Label contracts, we committed to certain standards of quality and efficiency and penalties may be charged by our White Label parties if these commitments are not met.

Each of our White Label customers pays us monthly fees based on the number of end-users to whom they sell our triple-play packages and the type of packages. Additional fees are payable by our customers that require additional services, such as customer care and billing. Invoicing under each of the three contracts is performed on a monthly basis by Completel, on behalf of Numericable. The fees charged include (i) a fee per subscriber, which depends on the type of package subscribed, (ii) the telephony charges and (iii) VOD charges. Please see "Certain Relationships and Related Party Transactions—Relationships with Completel—White Label Invoicing Agreement". By way of exception, digital television services provided to Darty customers are invoiced by Darty on behalf of Numericable, and paid directly by Darty to Numericable. In addition, Numericable directly invoices Darty for the delivery of set-top boxes and broadband routers.

MVNO Agreements

In 2010, we entered into several MVNO agreements with Bouygues Telecom for voice and data transmission which enabled us to launch our quadruple-play offering in 2011 and strategically opened up opportunities to develop and offer fixed to mobile converged telephone services. The agreements relating to voice transmission services are due to expire in 2017 while those relating to data transmission services are due to expire in 2013. Each of these MVNO agreements will be automatically renewed unless otherwise notified by either party with six months' notice prior to their respective initial expiration dates. Upon renewal, each of these MVNO agreements will be valid until further notice and may be terminated by either party with twelve months' notice.

The financial terms of these agreements include a flat fee that corresponds to minimum levels of consumption by our end-customers. Pursuant to the financial terms of each of these agreements, we are under obligation to pay Bouygues Telecom a flat fee corresponding to a minimum level of consumption by our end-customers of the relevant voice or data transmission services. Since the execution of the MVNO agreements with Bouygues Telecom, we have always reached these minimum levels. Every month, we provide Bouygues Telecom with detailed consumption forecasts for the following twelve months and are charged penalties in the event of significant discrepancies between forecasts and actual levels of consumptions by our end-customers. Bouygues Telecom must use its best efforts to comply

with its obligations under these MVNO agreements and has a right to unilaterally modify these agreements should it be become unable to perform all or part of its obligations due to technical or regulatory reasons.

Lastly, we negotiated more favorable financial terms for the contracts entered into with Bouygues Telecom. They retroactively apply as from January 1, 2012.

Intellectual Property

We license our television programming content from third-party content providers. We enter into agreements directly with authors' rights societies in France (including SACEM and ANGOA), broadcasters and distributors. In general, we pay license fees based on subscriber numbers to these content providers and our agreements with certain providers require us to pay minimum guarantees. We also pay royalties based on our subscribers' usage of on-demand content. Please see "Business—Material Contracts—Content Agreements" and "Business—Intellectual Property—Third-Party Copyrights".

Trademarks and Domain Names

We use a variety of trade names, trademarks and domain names in our business. Except for the denominative trademark "Numericable", the name of our offers such as "NumeriBox", "Numeripass" or "TV Premium HD" and the word trademark "*Numerispace, montez en puissance*" we do not believe that any of our other trade names, service marks or trademarks is material to our business. All of our trademarks and device trademarks are protected in France and the European community. We have also registered various domain names, including *www.numericable.com* and *www.numericable.fr*.

Third-Party Copyrights

Both the ANGOA and the SACEM collect payments for, and redistribute payments to, authors, composers and publishers whose works are copied, broadcast or recorded. As a broadcaster of musical and audiovisual works, we must comply with articles L. 132-20-1 and L. 217-2 of the French Intellectual Property Code, which requires us to pay a fee to the ANGOA and the SACEM.

We entered into an agreement with the ANGOA on February 18, 2011. The agreement was entered into for an initial term which is due to expire on December 13, 2013 and will be tacitly renewed at the end of its initial term for successive one-year periods unless terminated by either party upon six months' notice. The fees charged by the ANGOA consist of a portion of our overall revenues and are paid on a quarterly basis. We also guarantee to the ANGOA a minimum fee per customer.

We entered into a substantially similar agreement with the SACEM on October 27, 2003. The fees charged by the SACEM are also calculated as a portion of our overall revenues and paid on a quarterly basis. We benefit, however, from specific discounts that take into account factors such as the financial depreciation of our network, technical immobilizations, and the management and centralization of declarations made by entities of our Group to the SACEM. The initial term of the SACEM agreement expired on December 31, 2004 and was extended until December 31, 2009 pursuant to a settlement agreement dated March 31, 2009. The agreement has since been tacitly renewed for successive one-year periods. It can be terminated at the end of each renewal period by either party, subject to a three-month notice period.

Seasonality

We have limited exposure to seasonal trends. Revenues from our basic analog and premium cable television service and broadband Internet service are substantially based on fixed monthly rates and therefore are not subject to seasonal variations in usage. Residential telephony revenues include a

usage component and tend to exhibit lower usage in summer months. This lower usage also results in corresponding seasonality in the interconnection payments we make for terminating calls from our customers to other networks. Our sales performance is typically higher from September to January.

Insurance

We have insurance coverage under a general liability insurance policy (*responsabilité civile générale*) and a property insurance policy covering, among other things, certain operational and business interruption liabilities (*dommages aux biens et pertes d'exploitation*). We do not insure against certain operational risks for which insurance is unavailable or which can only be insured at what we believe to be on unreasonable terms. There is also no protection against customer collection risk. We also maintain various policies covering motor vehicle insurance policies, including third-party liability insurance. We have a directors' and officers' liability insurance policy (*responsabilité civile des mandataires sociaux*) for all members of the management board as well as certain other persons within Numericable. The directors' and officers' liability insurance policy has no deductible. In our view, the existing insurance coverage, including the amounts of coverage and the conditions, provides reasonable protection against the risks faced by us in the locations in which we operate, taking into account the costs for the insurance coverage and the potential risks to business operations. However, we cannot guarantee that no losses will be incurred or that no claims will be filed against us which go beyond the type and scope of the existing insurance coverage.

Environmental Matters

We believe that we are in substantial compliance with the laws and regulations relating to land use and environmental protection that are applicable to us. We are not aware of any claims being made or potential liabilities arising in connection with such laws and regulations.

Legal Proceedings

We are involved in a number of legal proceedings that have arisen in the ordinary course of our business. Other than as discussed below, we do not expect the legal proceedings in which we are involved, or with which we have been threatened, to have a material adverse effect on our business or consolidated financial position. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and we can offer no assurances in this regard.

France Telecom-Orange Litigation Relating to IRUs

We entered into four nonexclusive IRUs with France Telecom-Orange on May 6, 1999, May 18, 2001, July 2, 2004 and December 21, 2004, in connection with our acquisition of certain companies that operated cable networks built by France Telecom-Orange. For further information on the construction of such networks, please see "Regulation—Regulation of Electronic Communications Networks and Services—Legal Status of the Cable Networks". These cable networks, accessible only through the civil engineering installations of France Telecom-Orange (mainly its ducts), are made available to us by France Telecom-Orange through these nonexclusive IRUs over such civil engineering installations. These IRUs each cover a different geographical area and were each entered into for a term of 20 years.

The ARCEP's decision 2008-0835 of July 24, 2008 required that France Telecom-Orange make a commercial offer to telecommunication operators pursuant to which such operators can roll out their own fiber networks in France Telecom-Orange's ducts. The terms of this mandatory commercial offer are more restrictive than the terms we benefit from under the France Telecom-Orange IRUs to which we are party. As a result, France Telecom-Orange requested that the terms of our IRUs be modified so that the operational procedures set forth in these IRUs be aligned with those now observed by other

telecommunication operators, especially with regard to access to France Telecom-Orange's ducts for the purpose of maintaining and upgrading our network.

This issue was litigated before the ARCEP and the Paris Court of Appeal, which each ruled in favor of France Telecom-Orange on November 4, 2010 and June 23, 2011, respectively. We appealed the decision before the French Supreme Court (*Cour de cassation*) but it upheld, for the most part, the decision of the Paris Court of Appeal on September 25, 2012.

Moreover, on October 21, 2011, the ARCEP initiated penalty proceedings against us, arguing that we had not complied with its November 4, 2010 decision. Consequently, in December 2011, we executed with France Telecom-Orange amendments to the IRUs in order to comply with the November 4, 2010 ARCEP decision and to align the operating procedures set forth in the IRUs with the procedures set forth in the France Telecom-Orange generic commercial offer.

In the meantime, the penalty proceedings initiated by the ARCEP were not stopped by the execution of the amendments to the IRUs and we were sentenced on December 20, 2011 to a fine of €5.0 million for noncompliance with the ARCEP's November 4, 2010 decision. We appealed this decision before the French Administrative Supreme Court (*Conseil d'Etat*). The case is still pending and we negotiated a staggered payment of this €5.0 million fine until November 8, 2012. As of June 30, 2012, the amount of the unpaid portion of the fine was recorded in our accounts as a provision.

Lastly, we initiated parallel proceedings against France Telecom-Orange before the Paris Commercial Court on October 7, 2010 and before the International Court of Arbitration of the International Chamber of Commerce on October 21, 2010, claiming, respectively, damages of €2.5 billion and €0.5 billion for breach and modification of the IRUs by France Telecom-Orange. The case is still pending before the International Court of Arbitration. However, the Paris Commercial Court ruled on April 23, 2012 in favor of France Telecom-Orange and dismissed our claims for damages, ruling that there were no material differences between the original operational procedures and the new operational procedures imposed on us by France Telecom-Orange on July 24, 2008. We appealed this decision before the Paris Court of Appeal and are claiming the same amount of damages. France Telecom-Orange, in turn, claims that the proceedings materially impaired its brand and image and claims €50 million in damages.

Free and La Révolution Mobile Litigation Relating to an Advertising Campaign

Two separate claims were filed against Numericable S.A.S. and NC Numericable before the Paris Commercial Court by the telecommunication operator Free and a company specialized in innovative solutions in the mobile business called La Révolution Mobile on August 3, 2011 and June 14, 2011, respectively, in relation to our spring 2011 advertising campaign entitled "The mobile revolution continues".

Free, which used the term "revolution" to refer to its mobile phone services and whose latest offering was named the "Freebox Revolution", argues, among other things, that our campaign led to customer confusion and damaged its brand and image. Free submitted two claims for damages, totaling €10.0 million. The case is currently pending before the Paris Commercial Court. At a hearing before the Paris Commercial Court in October 2011, the marketing and unfair competition organization (*Association Droit du Marketing et Concurrence Déloyale*) voluntarily intervened in support of our case to maintain that "revolution" is a commonly used term for marketing purposes and that our campaign does not constitute a fault under unfair competition law.

La Révolution Mobile argues that it owns the brand "La Révolution Mobile" and that we therefore unduly used this brand during our spring 2011 advertising campaign. La Révolution Mobile claims €1.0 million in damages. The case is scheduled to be heard on December 13, 2012 by the Paris Commercial Court.

France Telecom-Orange Litigation Relating to a Contract for the Sharing of Equipment

On March 23, 2000, Est Videocommunication entered into a five-year agreement with France Telecom-Orange for the sharing of equipment on public property. The contract was tacitly renewed on March 23, 2005 and terminated on February 28, 2007 by France Telecom-Orange. France Telecom-Orange proposed new contractual terms and conditions in respect of these sharing arrangements and failing Est Videocommunication's response, invoiced Est Videocommunication pursuant to these terms. In 2010, France Telecom-Orange sued Est Videocommunication claiming payment of €3.3 million, increased by late fees and penalties as from August 31, 2010. Est Videocommunication argued in its defense that the termination of the sharing contract, the change of tariffs and the retroactive application of a new offer are abusive and unfair practices. The Strasbourg Civil Court and the Colmar Court of Appeal ruled in favor of France Telecom-Orange. On July 17, 2012, the Colmar Court of Appeal awarded €4.9 million in damages to France Telecom-Orange. None of the parties appealed this decision before the French Supreme Court (*Cour de cassation*). The payment of the damages to France Telecom-Orange will be recorded in our accounts for the fiscal year ended December 31, 2012.

Trust Litigation Relating to Partnership Agreements

Trust, a company that managed three of our stores and carried out certain sales promotion campaigns on our behalf pursuant to a partnership agreement, initiated legal proceeding on August 2, 2012 before the Paris Commercial Court. Trust claims €0.6 million in damages, arguing that we did not act in good faith in the performance of the partnership agreement. The case is pending before the Paris Commercial Court.

Megafibre Litigation Relating to a Partnership Agreement

We entered into a partnership agreement with Megafibre to manage one of our stores and carry out certain sales promotion campaigns on our behalf. Megafibre and its chairman initiated legal proceedings on February 28, 2012, before the Meaux Commercial Court, claiming €0.8 million in damages, arguing that we unduly terminated our partnership agreement. The case is pending before the Meaux Commercial Court.

Pace France Litigation Relating to Our Set-Top Boxes

Pace France is our former supplier of set-top boxes. Pace France initiated proceedings before the Paris Commercial Court on June 5, 2012, arguing that we failed to pay penalties for late payments in an amount of €1.7 million. The case is pending before the Paris Commercial Court.

Pace France also initiated proceedings before the Meaux Commercial Court on May 9, 2012. In 2010, we launched a competitive bid to select a supplier for our new-generation set-top boxes. Pace France argues that the selection process was not fair and that it was unlawfully excluded from the bidding and selection process. Pace France claims damages of €1.6 million. The case is currently pending before the Meaux Commercial Court.

ACR Media Litigation Relating to a Breach of Contract

We initiated legal proceedings in 2008 before the Paris Commercial Court against ACR Media, a company that managed two of our stores and carried out certain sales promotion campaigns on our behalf, after it terminated the contract we had entered into with it and closed the two stores. We claimed €0.8 million of damages against ACR Media for abusive breach of contract, breach of its noncompete obligation, unfair competition and client solicitation, and harm to our reputation. ACR Media counterclaimed €3.9 million of damages against us, arguing that the contract in question should be considered a commercial agency contract. On September 26, 2012, the Paris Commercial Court

awarded approximately €130,000 in damages to ACR Media. We do not intend to appeal this decision. ACR Media has however not yet indicated to us whether it will appeal this decision.

Starsight Telecast, Inc. Litigation Relating to Allegedly Counterfeited Set-top Boxes

On May 21, 2010, Starsight Telecast, Inc. initiated proceedings against us on the grounds of a patent counterfeit with respect to certain set-top boxes we supply to our customers. Starsight Telecast, Inc. has requested that (i) the full amount of damages be appraised by a court-appointed expert, (ii) a provisional payment of €1.0 million for damages be paid by us, (iii) an injunction against the manufacture, importation and sale of the alleged counterfeited set-top boxes and a €1,000 penalty for every violation of the injunction, and (iv) the submission of all documents and information held by us on such products, including the number of clients who received them and the turnover generated by their sale. On May 11, 2011, we requested that the developers of the alleged counterfeit set-top boxes (Nagra France and Open TV) be enjoined to the proceedings. The case is scheduled to be heard by the Paris Civil Court on November 11, 2012.

Litigation Related to Illegal Streaming and Direct Downloading Websites

On November 30, 2011, three associations representing movie producers and distributors initiated summary proceedings against web search engines and all French Internet service providers (including us). These proceedings aim at forcing French Internet service providers (under a penalty of €20,000 per day) to block the IP addresses of certain streaming and direct downloading websites considered to be illegal. Our customers would then be prevented from accessing these websites. The case is currently pending before the Paris Civil Court.

France Telecom-Orange Litigation Relating to Unpaid Invoices

France Telecom-Orange filed two separate claims against us before the Paris Commercial Court and the Meaux Commercial Court, on September 6, 2011 and September 3, 2011, respectively.

In the case before the Paris Commercial Court, France Telecom-Orange claims that invoices in the amount of €3.1 million remain unpaid. These invoices relate to physical infrastructure occupied by Numericable between 2005 and 2007, following the sale by France Telecom-Orange of its cable networks to Numericable. We argued that France-Telecom Orange prevented us from moving out of these infrastructures and therefore that the disputed invoices are not due. The case is pending before the Paris Commercial Court.

In the case before the Meaux Commercial Court, France Telecom-Orange claims that invoices in the amount of €2.1 million remain unpaid. These invoices relate to the transfer of clients from France Telecome-Orange, also in connection with the sale by France Telecome-Orange of its cable networks to Numericable. We counter-claimed €12.1 million for breach of contract and argued that the disputed invoices should be reduced to €1.6 million. The case was heard by the Meaux Commercial Court and its judgment is expected on January 8, 2013.

Tax Proceedings

The French tax authorities have conducted audits on various companies of our Group since 2005 in respect of the VAT rates applicable to our multiple-play offerings. Under French tax law, television services are subject to a 5.5% VAT rate, which increased to 7% as of January 1, 2012, while Internet and telephony services are subject to a 19.6% VAT rate. When marketing multiple-play offerings, we allocate a price reduction compared to the price we charge for our services on a stand-alone basis primarily to our Internet and telephony services, because such services were newer in our product range. As a result, the VAT we charged to our subscribers was lower than the VAT that would have

been charged if we had deemed the price reduction to apply primarily to the television services portion of our packages.

The French tax authorities assert that these price reductions should have been computed pro rata of the stand-alone prices of each of the services (television, broadband Internet, fixed and/or mobile telephony) included in our multiple-play packages. We have formally contested the tax adjustments for the fiscal years 2005 to 2009, although we are still negotiating a settlement with the French tax authorities, it is likely that the case will be litigated before French administrative courts. As of June 30, 2012, a tax contingency for a total amount of €25.8 million was recognized (compared to €26.4 million as of December 31, 2011). In 2012, the French tax authorities initiated a tax audit of our Group for the 2010 fiscal year, on the same terms and of the same scope as the audits to which we have previously been subject. Our provisions as of June 30, 2012 do not account for this new audit and may therefore be insufficient to cover all of our potential additional tax liabilities.

We amended our standard terms and conditions effective January 1, 2011 to explicitly allocate price reductions applicable to our multiple-play packages to Internet and telephony services only, and expect that in the future this amendment will prohibit the tax authorities from challenging the way we calculate VAT.

Employees

As of June 30, 2012, we had 1,147 employees, some of whom belong to labor unions. We believe that overall we have satisfactory working relationships with our employees and have not experienced any significant labor disputes or work stoppages since early 2009, when some of our employees went on strike following our decision to terminate the employment of door-to-door salespersons.

The breakdown of our employees in France by activity as of June 30, 2012 was as follows:

	As of June 30, 2012
Headquarters	12
Wholesale	8
Human Resources, IT and Logistics	84
Sales and Marketing	608
Finance	79
Technical	339
General Secretary, Regulatory and Legal	17
Total	**1,147**

As of June 30, 2012, substantially all of our employees were covered by a pension program. We operate several different pension programs, the majority of which are defined benefit plans.

Properties

We lease and own certain properties for administrative and sales offices, hubs, stores, switches, head-end sites and warehouses. We own our headquarters, located in Champs-sur-Marne (Paris-Ile de France region) and sublease office space in Paris-La Défense from our affiliate, Completel. We also own the building for our main hub, which is located in Palaiseau (Paris-Ile de France region). We believe that our properties are suitable and adequate for the purposes for which they are intended.

REGULATION

Our business activities are subject to the specific legislation and regulations of both France and the European Union governing the telecommunications sector and the information society.

Regulation of Electronic Communications Networks and Services

The European Regulatory Framework for Electronic Communications

The majority of the regulatory provisions applicable in France to the telecommunications sector are set forth in the French Code for Postal and Electronic Communications Code (*Code des Postes et des Communications Electroniques* (the "CPCE")). The provisions of the CPCE are primarily based on the following five directives contained in the "2002 Telecoms Package" of the European Union:

- directive 2002/21/EC dated March 7, 2002, setting a common regulatory framework for electronic communications networks and services (the "Framework Directive");
- directive 2002/19/EC dated March 7, 2002, concerning access to, and the interconnection of, electronic communications networks and associated facilities (the "Access Directive");
- directive 2002/22/EC dated March 7, 2002 on universal services and users' rights relating to electronic communications networks and services (the "Universal Services Directive");
- directive 2002/20/EC dated March 7, 2002, relating to the authorization of electronic communications networks and services (the "Authorization Directive"); and
- directive 2002/58/EC dated July 12, 2002, concerning the processing of personal data and the protection of privacy in the electronic communications sector (the "Privacy Directive").

In addition to the 2002 Telecoms Package, the following texts are also applicable to the telecommunications sector:

- directive 2002/77/EC dated September 16, 2002, relating to competition in the markets for electronic communications networks and services (the "Competition Directive");
- regulation (EC) No. 2887/2000 dated December 18, 2000, on unbundled access to the local loop, which provides that all operators with significant market power must offer unbundled access to their local loop and associated facilities, under transparent, fair and nondiscriminatory conditions; and
- regulation (EC) No. 717/2007 on roaming on public mobile telephone networks within the European Community, amended in 2009 by Regulation (EC) 544/2009 of June 18, 2009 which provides that all wholesale and retail roaming charges levied by mobile operators are subject to price caps which are set until June 30, 2012.

In 2009, the European Parliament and Council adopted a new regulation and two directives that slightly amended the 2002 Telecoms Package, without significantly changing the overall regulatory framework. These documents, which round out the regulatory framework and provide additional powers to national regulatory authorities ("NRAs") and the European Commission are as follows:

- regulation (EC) 1211/2009 dated November 25, 2009, establishing the Body of European Regulators for Electronic Communications (the "BEREC"). Rather than operating as a European regulatory agency, the BEREC's role is to act as a forum for cooperation between the NRAs and the Commission. Its responsibilities include developing and relaying guidelines and regulatory best practices to NRAs as well as issuing reports and opinions to the European Commission, Parliament and Council;

- directive 2009/140/EC dated November 25, 2009, amending the Framework, Access and Authorization Directives. This new directive (i) introduces a last-resort remedy of functional separation to overcome competition problems, (ii) gives the European Commission new powers to issue recommendations on draft measures proposed by NRAs, (iii) facilitates access to the radio spectrum by allowing spectrum users to transfer or lease their usage rights to third parties, and (iv) states that NRAs should have the power to ensure the effective use of the spectrum and to take action to prevent anticompetitive barriers by certain operators; and
- directive 2009/136/EC dated November 25, 2009, amending the Universal Services and the Privacy directives, in order to (i) strengthen the rights of users of electronic communications services, (ii) extend the universal service to broadband, and (iii) ensure the quality of services offered as well as market transparency and fluidity.

These two directives were transposed in the CPCE on August 24, 2011.

French Regulatory Framework Applicable to Electronic Communications

Responsibility for the control and effective implementation of the European regulatory framework lies with the NRAs.

Authority of the ARCEP

In France, the NRA for electronic communications is the ARCEP, created in January 1997. The ARCEP ensures that operators comply with the laws and regulations set forth in the CPCE and, where applicable, that they respect the conditions of any individual authorizations granted.

Our operations do not require specific authorizations from the ARCEP. However, we must declare our activities and register with the ARCEP.

The sanctions available to the ARCEP if an operator fails to comply with the regulatory framework include limiting the scope or reducing the term of the operator's registration, as well as suspending or even fully withdrawing said registration. It can also impose fines representing up to 3% of the operator's annual revenue, or 5% in the event of a repeated breach. In accordance with Article L. 36-11 of the CPCE, if the ARCEP identifies a serious and immediate infringement of the rules governing the sector, it can order precautionary measures without any requirement for prior notice. In addition, if an infringement could cause serious harm to an operator or the market, the ARCEP's Chairman can make an emergency application to the French *Conseil d'Etat* for an order requiring the party concerned to comply with the applicable rules. Any such order may be accompanied by a penalty levied until the party complies therewith.

Market Analysis—Asymmetric Regulation

The analysis of markets is the cornerstone of the asymmetric regulation framework applicable to operators that occupy a dominant market position. Ex-ante asymmetric regulation is focused on market segments—mainly wholesale markets—in which distortion of competition and dominant market positions have been identified. Pursuant to the Framework Directive, Regulation 1211/2009 establishing the BEREC and articles L. 37-1 to L. 38-1 of the CPCE, the ARCEP is required, under the supervision of the European Commission and the BEREC, and on the basis of the recommendation of the French antitrust authorities, to (i) define the relevant markets in France, (ii) analyze the relevant markets and identify companies that have significant market power in these markets, and (iii) decide whether or not to impose on these companies regulatory obligations commensurate with the competition problems identified.

The first and second phases of this market analysis were completed at the end of 2007 and 2010, respectively. The market analysis was carried out by the ARCEP in three distinct markets: the fixed-line

market, the mobile market and the broadband market. From 2010 to 2012, the ARCEP carried out and completed the third phase of its market analysis, covering the period from 2011 to 2014.

The regulatory measures that can be imposed by ARCEP on operators identified as having significant market power in a relevant market (and, as applicable, on another market of the electronic communications sector that is tightly linked to the aforementioned market) are specified in Articles L.38 (wholesale markets) and L. 38-1 (retail markets) of the CPCE. These measures include obligations to publish detailed technical and pricing specifications relating to interconnection and access, to provide interconnection or access services under non-discriminatory conditions, not to charge excessive or predatory prices in the market in question and to charge prices which are oriented towards the corresponding costs, to separate the accounting of certain activities, to provide retail services under non-discriminatory conditions, not to unreasonably bundle these services, to comply with the price cap mechanism set by ARCEP, and to obtain ARCEP's approval of prices prior to their application. For wholesale markets, in case the above *ex ante* measures are not sufficient to solve the competition issues, ARCEP may in addition impose a functional separation of the wholesale activities of the electronic communications operator that is concerned.

We are not considered by the ARCEP to be an operator identified as having significant market power in any relevant market except in the market of calls terminating on our network, like any other operator. It implies that we must comply with the regulations applicable to call termination charges on landline networks. In fact, landline operators, including us, are considered to have significant power in the market for the termination of geographic calls on their respective networks and, pursuant to articles L. 38 and L. 38-1 of the CPCE, are subject to obligations relating to access, interconnection, nondiscrimination and transparency, as well as an obligation not to engage in excessive pricing.

The regime governing the call termination charges has recently been changed. From October 1, 2010 to October 1, 2011, the call termination charge applied by operators was set at €0.05 per minute. Pursuant to decision 2011-0926 of the ARCEP dated July 26, 2011, the maximum call termination charge was set at €0.003 from October 1, 2011 to July 1, 2012, at €0.0015 from July 1, 2012 to January 1, 2013, and at €0.0008 onwards. Therefore, our interconnection charges invoiced by landline networks have decreased as from October 1, 2011. In turn, our revenues from call termination charges invoiced to landline operators have also decreased in the same time frame.

Moreover, we cannot guarantee that we will not, in the future, be identified by the ARCEP as having significant market power in one or several other relevant markets and that the ARCEP will not impose on us additional regulatory measures. Please see "Risk Factors".

Symmetric Regulation

The ARCEP also regulates in a "symmetric" way, i.e., by imposing the same obligations on all operators, through a number of decisions:

- decision 06-0636 dated November 30, 2006, on supplying subscriber lists for the purpose of publishing universal directories;
- decision 07-0213 dated April 16, 2007, on routing communications used for value-added services;
- decision 2008-1362 dated December 4, 2008, on measuring service quality indicators for landline networks;
- decision 2009-0637 dated July 23, 2009, on portability;
- decision 2009-1106 dated December 22, 2009 and decision 2010-1312 dated December 14, 2010, on access to the terminal section of optical fiber networks; and

- decision 2010-1314 dated December 14, 2010, on the eligibility of optical fiber networks for grants from the French digital development fund.

Interconnection Access

Regulations governing the interconnection of each operator to the networks of the incumbent operator and of other operators are essential for opening up the market and ensuring the quality of services provided to each operator's subscribers. Interconnection agreements are subject to private law and must be disclosed to the ARCEP if requested. The ARCEP has the power to rule on disputes between operators but its decisions may be appealed before the Paris Court of Appeal (*Cour d'appel*). Any such appeal lodged against an ARCEP decision does not suspend the ruling made by the ARCEP.

We have interconnection agreements mainly on call termination on our network, peering of Internet traffic, the use of ducts or fiber, and access to our fiber network by other operators. Completel has similar agreements, as well as other interconnection agreements, among others, in voice transit services for other operators, leased lines or data services and traffic gathering for editors of voice and data added-value services.

Specific Regulatory Framework Applicable to the Access to New-Generation Optical Fiber Networks

The French Economy Modernization Law dated August 4, 2008 introduced several provisions aimed at setting up a regulatory framework for the roll-out of very-high-speed optical fiber networks.

The law comprises a number of measures intended to foster such roll-outs, including: (i) an obligation for private and public landlords to facilitate the installation of optical fiber networks in their buildings; (ii) rules for sharing optical fiber access in order to avoid several networks being set up within the same building (only one "building operator" may therefore set up a network in the said building); (iii) a requirement for each operator offering very-high-speed access to be able to connect to the network; and (iv) provisions stating that the access point to the shared network must be located outside the limits of a private property (unless the ARCEP approves the access point being inside such a property).

In addition to the implementing decrees, the ARCEP has been given decision-making powers to set the terms and conditions relating to the application of this law. Accordingly, for the optical fiber networks located in France's 148 most densely populated cities, the ARCEP decision 2009-1106 dated December 22, 2009 regulates access to the terminal section of networks installed by operators in buildings. If they so wish, operators can co-invest in networks installed by other operators and can consequently get a dedicated fiber. The ARCEP decision 2010-1312 of December 14, 2010 sets forth the terms and conditions for access to very-high-speed optical fiber electronic communications lines in less densely populated areas. Under this decision, operators are required to establish shared access points that are sufficiently large to enable other operators to obtain access at reasonable prices. It also requires operators rolling out a network to store the active or passive network devices of other operators at these shared access points.

Lastly, in January 2010, the French government set up a €2 billion fund to finance the development of very-high-speed networks. On July 27, 2011, an envelope of €900 million was allocated to co-finance the development of the fiber network in less densely populated areas. We intend to actively participate in this development.

Legal Status of the Cable Networks

A telecommunications network is comprised essentially of the physical infrastructure (ducts, head-ends, switches) into which the telecommunications equipment (mainly the cables) are placed. These different components can be governed by different legal statutes. Because our physical

infrastructure is not built on our own premises (but on public land and private property), we have entered into concession, easement, lease or IRU agreements with landlords. The telecommunications equipment itself can be directly owned by the telecommunications operator or owned by a third-party (which may be itself a telecommunications operator). Several telecommunications operators can occupy or use the same physical infrastructure, or even the same telecommunications equipment. We have built our network by acquiring and combining entities which themselves had built their networks under different legal frameworks, with different combinations of the legal statutes described below.

Network Using the Ducts of France Telecom-Orange

In 1982, the French State launched the Cable Plan (*Plan Câble*) (established by the laws dated July 29, 1982 and August 1, 1984). Under the Cable Plan, the cable network was built by the French State and later transferred to France Telecom-Orange, the incumbent telecom operator. The network was initially operated by certain of our predecessors, local entities financed by both private and public funding, which we later acquired. At the time of these acquisitions, France Telecom-Orange granted us several IRUs on its civil engineering installations (mainly the ducts). These IRUs, which were entered into at different dates, were granted to us for terms of 20 years each and the first of these will be up for renewal in 2019. For a description of our IRU agreement with France Telecom-Orange, please see "Business—Material Contracts—Infrastructure and Network Agreements—France Telecom-Orange IRUs". The network using the ducts of France Telecom-Orange represents 55% of our overall network.

Pursuant to the ARCEP decision 2008-0835 dated July 24, 2008, France Telecom-Orange published a commercial offer allowing telecommunications operators to roll out their own fiber networks in the ducts of France Telecom-Orange. France Telecom-Orange then asked us to modify the IRUs granted in order to align the operational procedures set forth in the IRUs with some of the operational procedures of this commercial offer. In particular, France Telecom-Orange asked us to follow the general rules of access to the ducts of France Telecom-Orange, for the purpose of maintaining and upgrading our network. This issue was litigated and the ARCEP (on November 4, 2010) and the Paris Court of Appeal (on June 23, 2011) ruled in favor of France Telecom-Orange. We have appealed the decision before the French Supreme Court (*Cour de cassation*) but it upheld, for the most part, the decision of the Paris Court of Appeal on September 25, 2012.

Moreover, on October 21, 2011, the ARCEP initiated penalty proceedings against us, arguing that we had not complied with its November 4, 2010 decision. Consequently, in December 2011, we executed with France Telecom-Orange amendments to the IRUs in order to comply with the November 4, 2010 ARCEP decision and to align the operating procedures set forth in the IRUs with the procedures set forth in the France Telecom-Orange generic commercial offer.

In the meantime, the penalty proceedings initiated by the ARCEP were not stopped by the execution of the amendments to the IRUs and we were sentenced on December 20, 2011 to a fine of €5.0 million for noncompliance with the ARCEP November 4, 2010 decision. We appealed this decision before the *Conseil d'Etat* (the highest administrative court in France). The case is still pending.

Lastly, we initiated parallel proceedings against France Telecom-Orange before the Paris Commercial Court on October 7, 2010 and before the International Court of Arbitration of the International Chamber of Commerce on October 21, 2010, claiming respectively, damages of €2.7 billion and €0.5 billion for breach of these contracts by France Telecom-Orange and for the modification of the IRUs. The case is still pending before the International Court of Arbitration. However, the Paris Commercial Court ruled on April 23, 2012 in favor of France Telecom-Orange and dismissed our claims for damages, ruling that there were no material difference between the original operational procedures and the new operationial procedures imposed on us by France Telecom-Orange on July 24, 2008. We appealed this decision before the Paris Court of Appeal. The case is still pending: we claim before the Paris Court of Appeal the same amount of damages as before the Paris

Commercial Court. France Telecom-Orange, in turn, claims that the proceedings materially impaired its brand and image and claims €50 million in damages.

Networks Set Up Following the New Deal Plan

In 1986 the French government launched the New Deal Plan (*Plan Nouvelle Donne*) (Law of September 30, 1986 relating to freedom of communication). Under this new regulatory framework, local authorities could themselves set up networks or authorize private companies to set up these networks. Several private companies (which we later acquired) set up new networks and were granted concessions to operate these networks for 20 to 30 years. The networks belonging to the New Deal Plan represent 38% of our overall network.

There is currently some uncertainty over the legal classification of certain long-term agreements entered into with public authorities. The issue relates to the identification of agreements that can be categorized as agreements for the delegation of public services (*délégation de service public*). Under an agreement with a local authority for the delegation of public services, the infrastructure and equipment used to carry out the said public services (*biens de retour*) revert back to the local authorities upon the expiration or termination of the agreement. Renegotiations of these agreements were imposed by laws passed on July 9, 2004 and March 5, 2007 with a view to clarifying the legal classification of these agreements. Moreover, the law of August 4, 2008 authorized local authorities to grant equal rights of access on their network to our competitors even if the agreement with such local authorities says otherwise. In a report dated July 2007, the ARCEP asserts that agreements concluded with local authorities in connection with the New Deal Plan are to be categorized as agreements for the delegation of public services. A number of French courts have expressed opposite views on the issue, stating that such categorization depends on the wording of each agreement.

We submitted a proposal, approved by the ARCEP in May 2010, that aimed to clarify the legal classification of the agreements we currently have in place with public authorities (mainly municipalities). We offered to novate these agreements and specifically agree that upon termination of such new agreements, the ownership of physical infrastructure would be granted to local authorities while ownership of all existing telecommunications equipment would revert back to us. We would, in consideration of the payment of rent, be granted a nonexclusive right to use the local authorities' infrastructure with our telecommunications equipment. We try to tie these contract renegotiations with negotiations for the roll-out of the existing network to a very-high-speed optical fiber networks depending on the term of the existing concession agreements, and have already signed approximately 20 agreements taking into account these new arrangements.

Other Networks

A limited portion of our current network (7%) is governed by ad hoc legal agreements such as long-term leases of public property (*conventions d'affermage*) or agreements for the occupation of public domains (*conventions d'occupation du domaine public*). Pursuant to these agreements, which are entered into with local authorities for terms ranging from 10 to 30 years, we can either (i) rent an entire network or (ii) install the necessary network equipment on certain public premises. Upon termination of the agreements for the occupation of public domains, we must, at the option of the local authorities, (i) return the entire network to the local authorities, in some cases against the payment by the local authorities of an amount equal to the market value of the network, and in some cases free of charge, (ii) remove, either at our cost or at the cost of the local authorities, the equipment installed by us on the local authorities' premises or (iii) transfer the network to another operator, provided its is approved by the local authorities. Upon termination of the long-term leases, the network reverts back to the local authorities.

Fees are typically paid on an annual basis, and vary depending on the size of the network, the number of users connected to the network and, if relevant, the scope of deployment of our own network on public premises.

Fixed Number Portability

Number portability is an obligation for all operators connecting end-subscribers. Decree 2006-82 of January 27, 2006 extended this number portability obligation to alternative landline operators. The ARCEP decision 2009-0637 implementing this decree was issued on July 23, 2009, and approved by the Minister for Electronic Communications on October 22, 2009. This decision sets forth the portability obligations of operators, notably the maximum length of time that a service can be interrupted in the event of a portability request (four hours as from January 1, 2012). It also states that as from April 1, 2010 the same level of service must be provided for calls carried to ported numbers as for those carried to non-ported numbers. Pursuant to article D. 406-18 of the CPCE, a portability request between two operators must be addressed within one day. Last, pursuant to D. 406-18 of the CPCE, a portability request between two operators must be treated within one day. Consumer contracts must include and detail the applicable penalties in the event of failure by the operators to meet this time frame.

In order to effectively manage the exchange of information between operators concerning portability requests, in January 2009 the main operators set up a dedicated entity called *l'Association de la Portabilité des Numéros Fixes*.

Directories and Provision of Subscriber Lists

All operators that connect end-subscribers are required to disclose their subscriber lists for the purpose of publishing directories and/or providing information services.

The ARCEP decision 06-0639 dated November 30, 2006 sets forth further details on the conditions for supplying subscriber and user lists for the purpose of publishing universal directories or providing universal information services.

Contribution to Universal Service Funding

Pursuant to law 2003-1365 dated December 31, 2003, the operator required to guarantee the provision of universal service is designated on the basis of calls for tender. France Telecom-Orange won all of the tender processes carried out in France and has been designated as the operator responsible for providing the components of the universal service. The cost of the universal service is shared between operators pro rata to their revenues derived from telecommunications services. Our contribution to universal service funding was €0.1 million for 2011.

Broadcasting of Audiovisual Services

The transmission and broadcast of radio and television services (whatever the means of signal transmission) falls within the scope of the 2002 Telecoms Package and is consequently subject to the control of the NRAs.

The oversight powers of the French broadcasting regulator, the *Conseil Supérieur de l'Audiovisuel* ("CSA") were extended by law 2004-669 dated July 9, 2004 to cover all radio and television services, whatever their method of transmission and broadcast. As a broadcaster of radio and television services, we must declare our activities and register with the CSA.

Pursuant to articles 42-1 and 42-2 of law 86-1067 dated September 30, 1986 (as amended by law 2004-669), the sanctions available to the CSA if an operator fails to comply with the regulatory framework includes limiting the scope or reducing the term of the operator's registration, as well as

suspending or even withdrawing said registration. The CSA may also impose a fine representing up to 3% of an operator's annual revenue, or 5% in the case of a repeated breach.

In our capacity as a broadcaster of audiovisual services, we are subject to the regulatory "must-carry" provisions, i.e., the obligation for a provider of services via cable, satellite or ADSL to carry certain audiovisual services on its network.

The must-carry obligations are governed by articles 34-2 and 34-4 of law 86-1067 dated September 30, 1986:

- Article 34-2 states that for all types of network the following channels must be provided to subscribers free of charge: public service channels broadcast over microwave, the Chaîne Parlementaire, TV5, and RFO services specifically aimed at the general public in mainland France (i.e., the RFO-Sat program). Excluding satellite, the same rules apply to local cable channels.
- Article 34-4 introduces must-carry rights on all means of transmission (cable, satellite and ADSL) for free-to-air, analog or digital channels broadcast via microwave, under fair, reasonable and nondiscriminatory conditions. Only the channels themselves can demand that their programs be carried by the distribution networks and not vice versa.
- Article 34-5 requires electronic communications networks in digital mode to carry all of France 3's regional programs.

Moreover, the CSA controls the content of the broadcast channels. In particular, under article 15 of law 86-1067 dated September 30, 1986, the CSA must enact rules to protect minors against programs considered dangerous to their physical and mental health. The CSA has put in place strict rules in this respect, including the encryption of specifically designed logos on programs considered inappropriate for minors. As an operator and distributor of TV channels, we make sure that we strictly comply with these rules.

Regulation of the Content of Electronic Communications

Content of Online Services and Liabilities of Internet Market Players

The liability provisions applicable to intermediary Internet service providers are set forth in law 2004-575 dated June 21, 2004, the CPCE and decree 2011-219 of February 25, 2011 (as modified on March 30, 2012). They include the following:

- providers of online communications services must identify themselves, directly or indirectly. Access and hosting providers are required to keep data that could identify persons having participated in the creation of the content of the services that they provide, in order to be able to pass on such data to the legal authorities, if required;
- hosting providers can only be held civilly or criminally liable on the grounds of the activities or information stored at the request of a recipient of these services if they were aware of their unlawful nature or of any facts or circumstances in which this unlawful nature is made obvious, or if, as soon as they became aware of such unlawful nature, they did not act promptly to withdraw the data or to prevent access to it;
- access providers cannot be held either civilly or criminally liable for the content to which they provide access, except in circumstances in which they have originated the request for the transmission of the content concerned, or they have selected the recipient of the transmission, or they have selected and/or modified the transmitted content; and
- electronic communications operators are obligated to keep the technical connection data necessary for criminal investigations. They may also keep the technical data required for their

invoice payments. Apart from these two specific cases, the operators concerned must delete or render anonymous all data concerning a communication once it is completed.

Copyright and the Internet

Under law 2009-669 adopted on June 12, 2009 promoting the dissemination and protection of creative works on the Internet, a specific "graduated response" system was introduced, aimed at limiting illegal downloads. The first level of the system is a warning e-mail sent to illegal downloaders. An independent administrative body—*Haute Autorité pour la Diffusion des Oeuvres et la Protection des Droits sur Internet* (the "HADOPI")—was created to manage and send these e-mails. On October 29, 2009, an additional law was adopted to round out the graduated response system by providing that, in the event of repeated offenses, a judge can levy a fine or even suspend the illegal downloader's Internet access. In May 2012, the new French government announced the setting-up of an ad-hoc commission dedicated to the reform of the HADOPI. Although this commission has not yet issued its recommendation, the legal framework on copyright and the Internet is expected to be modified in a near future.

Processing of Personal Data and Protection of Individuals

Law 2004-801 dated August 6, 2004 on the protection of individuals with respect to the processing of personal data and decree 2005-1309 of October 20, 2005, amending law 78-17 dated January 6, 1978 relating to IT, computer files and civil liberties ("law 78-17"), implemented the Framework Directive dated October 24, 1995 and certain provisions of the Privacy Directive into French law. Law 2004-575 dated June 21, 2004 on confidence in the digital economy and law 2004-669 dated July 9, 2004 on electronic communications and audiovisual communications services also implemented certain provisions of the Privacy Directive into French law. Finally, French data privacy regulations have been adjusted by ordinance 2011-1012 dated August 24, 2011, which implemented into French law the 2009 directives (more specifically, the requirement that consent be obtained before cookies are placed on individual computers).

The main applicable provisions of the revised law 78-17 dated January 6, 1978, which is the cornerstone of the French data privacy regulations, are as follows:

- no personal data may be processed without the prior information and consent of the person concerned. However, a limited number of circumstances are defined in which such processing may be lawful, even without the consent of the person concerned (these exceptions do not apply to the processing of sensitive data);
- the right of the persons concerned to access, correct and object to the processing of their personal data must be ensured at all times;
- all processing of personal data must be notified to or duly authorized by the French data protection authority *Commission Nationale Informatique et Libertés* (CNIL), with very limited exceptions;
- electronic communications providers have a whistleblowing obligation (to the French authorities) in the event of a breach of personal data protection, which is detailed in decree 2012-436 of March 30, 2012; and
- any failure to comply with the provisions of law 78-17 is subject to administrative and/or severe criminal sanctions. The possible offenses and related penalties are set forth in Articles 226-16 to 226-24 of the French Penal Code (*Code pénal*). Such offenses are punishable by a fine of up to €300,000 and five years' imprisonment.

In the course of our business, we record and process personal data including statistical data, including, in particular, data concerning the number of visits to our websites. These personal data are, however, processed pursuant to all applicable laws.

Last, decree 2012-488 of April 13, 2012 put additional obligations on operators to protect the safety of data on their networks. Operators must implement specific policies to protect the integrity of their networks.

Tax Regime

The Tax on Telecom Operators' Revenue

The Public Audiovisual Reform law of March 5, 2009 introduced a 0.9% tax on the taxable revenues of telecommunications operators. This tax was implemented from March 2009. In November 2009, the French Telecommunications Federation (*Fédération Française des Télécoms*) asked the European Commission to review the legality of this tax on the basis of a 2002 Directive that exhaustively lists the taxes that can be imposed on telecommunications operators. On January 28, 2010, the European Commission began infringement proceedings against France with respect to this tax. The French Government replied within the two-month deadline to the European Commission's formal notice of complaint. At the end of September, the Commission initiated the second phase of the infringement procedure by issuing a reasoned opinion and decided to refer the matter to the European Court of Justice on March 14, 2011. This case is still pending.

The Finance Law of 2011

Article 26 of the 2011 finance law, promulgated on December 28, 2010, eliminates the low-rate VAT advantage on bundled offers, at a fixed price, which provide access to an electronic communications network and a television service. We have passed on this VAT increase into our retail offers.

The Finance Law of 2012

The 2012 Finance Law increased the VAT rate for television services from 5.5% to 7.0%.

MANAGEMENT

The Issuer

The Issuer, Numericable Finance & Co. S.C.A., is an independent, stand-alone special purpose vehicle whose principal purpose is to issue debt instruments, such as the Existing Notes and the Notes, and to use the proceeds from the offering of such debt instruments to fund loans, such as the Additional C1 Facility Loan and the Additional C2 Facility Loan made to Ypso France (in amounts equal to such loans' respective principal amounts).

The management of the Issuer is carried out by the General Partner, Numericable Finance S.à r.l., which was appointed in the articles of association of the Issuer.

Ypso Holding

Board of Managers

The following table sets forth certain information with respect to members of the board of managers of Ypso Holding, the parent company of Ypso France S.A.S., as of the date hereof. Our shareholders have the right to elect the managers. "A" managers are appointed by Altice, "B" managers are appointed by Cinven and "C" managers are appointed by Carlyle. The number of managers of Ypso Holding is not subject to any maximum limit. The existing managers have the right to appoint persons to fill vacancies. The business address of the managers of Ypso Holding is 37 rue d'Anvers, L-1130 Luxembourg.

Name	Age	Position
Laurent Godineau	39	"A" Manager
Anne-Laure Coates	31	"A" Manager
Pechel Industries Partenaires S.A.S.	—	"A" Manager, represented by Hélène Ploix
Nicolas Paulmier	48	"B" Manager
Danielle Arendt-Michels	51	"B" Manager
Thomas Railhac	32	"B" Manager
CEP II Participations S.à r.l. SICAR	—	"C" Manager, represented by Benoît Colas
CEP III Participations S.à r.l. SICAR	—	"C" Manager, represented by Véronique Cochais-Widmer
The Carlyle Group (Luxembourg) S.à r.l.	—	"C" Manager, represented by Jonathan Zafrani

Laurent Godineau, 39, is an "A" Manager. Mr Godineau serves as a General Manager of Centralis S.A., a corporate and trust services provider. Prior to joining Centralis S.A. in 2007, Mr. Godineau was a Senior Advisor at Alter Domms (Luxembourg). He graduated from the ESC Bretagne Brest with a master's in Finance and Chartered Accountancy and also holds a Master of Sciences degree in International Business and Finance from the University of Reading.

Anne-Laure Coates, 31, is an "A" Manager. She is a consultant with Titan Consulting. Prior to joining Titan Consulting, she worked as an associate with Credit Suisse London. She graduated from Exeter University with a degree in Law and Hispanics.

Hélène Ploix, 68, has acted as permanent representative of Pechel Industries Partenaires S.A.S. ("PIP"), which is an "A" Manager of our board. She is president of PIP and serves as a director of Lafarge, Ferring S.A. and Sofina. Ms. Ploix also serves on the Board of Directors of BNP Paribas S.A., an affiliate of BNP Paribas. Ms. Ploix acts as permanent representative of PIP on the boards of Göemar Develloppement, Laboratoires Göemar and Göemar Holding. She received a master's degree from the University of California (Berkeley) in 1966 and an MBA from INSEAD in 1968.

Nicolas Paulmier, 48, is a "B" Manager. He holds management positions within certain companies of Cinven's portfolio. He graduated from the Ecole Normale Supérieure, and holds an M.B.A. from the Institut Européen d'Administration des Affaires (INSEAD).

Danielle Arendt-Michels, 51, is a "B" Manager. She has served as Head of Operations of Cinven Luxembourg since June 2006. She holds different directorships in certain companies in Cinven's portfolio. She obtained a *Licence en sciences économiques* from the Université Montpellier I.

Thomas Railhac, 32, is a "B" Manager. He holds management positions within certain companies in Cinven's portfolio. Prior to joining Cinven, he worked in the principal investment area at Goldman Sachs International. He graduated from Ecole Centrale Paris.

Benoît Colas. Mr. Colas has acted as permanent representative of CEP II Participations S.à r.l. SICAR, which is a "C" manager of our board, since September 1999. Mr. Colas serves as Managing Director of Carlyle, which he joined in September 1999. Prior to joining Carlyle, Mr Colas was a senior manager at the Boston Consulting Group in Paris and Chicago. He graduated from the Ecole des Mines de Paris in 1990. He is a member of the board of directors of Sagemcom Holding, the holding company of the Sagemcom Group, which is a CPE supplier to Numericable.

Véronique Cochais-Widmer, 49, acts as the representative of CEP III Participations S.à r.l., which is a "C" manager of our board. Ms Cochais-Widmer currently serves as a Director of Carlyle, where she began to work in 1999. Ms Cochais-Widmer graduated from the Sup de Co programme of Reims Management School in 1985.

Jonathan Zafrani, 35, has acted as permanent representative of The Carlyle Group (Luxembourg) S.à r.l, which is a "C" manager of our board, since March 2008. Mr. Zafrani serves as Director of Carlyle, which he joined in April 1999. He graduated from the Ecoles des Hautes Etudes Commerciales (HEC) in 1999. He is a member of the board of directors of Sagemcom Holding, the holding company of the Sagemcom Group, which is a CPE supplier to Numericable, Dossen Investissement, part of the Giannoni group, and a representative of The Carlyle Group (Luxembourg) S.à r.l on the board of directors of Altice B2B Lux and AB2B Lux Holding.

Senior Management

Name	Age	Position
Eric Denoyer	48	Chief Executive Officer
Thierry Lemaître	44	Chief Financial Officer
Eric Klipfel	42	General Manager
Jérôme Yomtov	40	General Secretary
Martin Douxami	35	Corporate Finance Director
Philippe Le May	44	Chief Technology Officer
Angélique Benetti	49	Head of Content and Regulation

Eric Denoyer, 48, has been our Chief Executive Officer since January 2011. He is also the Chief Executive Officer of Completel since January 2011. He served as General Manager of the Wholesale Division of Completel from September 2008 to January 2011 and as Numericable's General Manager from April 2005 to September 2008. He graduated from the Ecole Nationale Supérieure des Télécommunications of Paris in June 1988 and from the Ecole Polytechnique of Palaiseau in June 1986.

Thierry Lemaître, 44, has been our Chief Financial Officer since May 2010. He has also been the Chief Financial Officer of Completel since May 2010. Prior to joining us, he served as the Chief Financial Officer of Rentabiliweb from 2008 to 2010, and as the Chief Financial Officer of Streamezzo from 2006 to 2008. He graduated from Reims Management School in 1991.

Eric Klipfel, 42, has been our General Manager since June 2010. He was our Deputy General Manager from April 2008 to May 2010 and our Marketing Director from November 2006 to March 2008. He obtained a master's degree from Fachhochschule Stuttgart, Germany in 2003.

Jérôme Yomtov, 40, has been our General Secretary since 2009. He is also the general secretary of Completel. Between 2007 and 2009 he served as director in the mergers and acquisitions department in HSBC France. He graduated from the Ecole Nationale Supérieure des Télécommunications of Paris in 1996 and from the Ecole Polytechnique in 1991.

Martin Douxami, 35, has been our Corporate Finance Director since October 2008. Prior to joining us, he served as the Vice President of the leverage finance telecommunications sector at BNP Paribas. He graduated from École nationale des ponts et chaussées in 2002.

Philippe Le May, 44, has been our Chief Technology Officer since 2008. From 2006 until 2008 he served as Numericable's Platform Director. He graduated from Télecom Paris Engineering School in 1991.

Angélique Benetti, 49, is our Head of Contents and Regulation. She has been a member of the executive committee since 2008. She holds a master's degree in public affairs.

Board Committees

The board of managers of Ypso Holding has not presently established any board committees.

Internal Control and Risk Management

The board of managers of Ypso Holding is responsible for the Group's systems of internal control and for reviewing their effectiveness. The risk management processes and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve Group strategic objectives. These systems can only provide reasonable, not absolute, assurance against misstatement or loss. Risk assessment and evaluation take place as an integral part of the annual planning and budgeting process, the results of which are reviewed by senior management and the board of managers. There is also an ongoing program of operational reviews and audits and a coordinated self-assessment of financial controls. The results of these reviews are reported to an internal audit service, which undertakes, on behalf of the board of managers of the Group, an annual assessment of the effectiveness of internal controls and risk management.

Compensation of Members of the Board of Managers and Senior Management

For the year ended December 31, 2011, the aggregate annual compensation (including bonuses) payable to our senior management was €1.2 million.

Share Ownership

As of June 30, 2012, members of our senior management, together with certain other members of the management of our Group, indirectly held 0.49% of the shares of Ypso Holding.

MAJOR SHAREHOLDERS

Ypso France is wholly owned by Ypso Holding, which in turn is owned 24.06% by funds managed by Altice, 37.47% by funds managed by Carlyle, 37.47% by funds managed by Cinven and 1.00% by Fiberman. Altice, Carlyle and Cinven each have certain board representation and approval rights as described below.

Altice

Altice is a cable and telecommunications investment company headquartered in Luxembourg, founded by Patrick Drahi. Its purpose is to identify opportunities and make acquisitions in the telecommunications industry, and to create value through operational excellence. The company has developed unique expertise in this field since 1994. It consolidated the cable sector in France, and also developed a strong presence in Belgium, Luxembourg, Switzerland, the Caribbean and Israel.

Carlyle

Carlyle is one of the world's largest global alternative asset managers, with approximately U.S.$156 billion of assets under management as of June 30, 2012. As of the same date, Carlyle had 99 active funds and 63 fund of funds vehicles investing in corporate private equity, real assets, global market strategies and fund of funds solutions, and it operates out of 32 offices in 20 countries to uncover opportunities in North America, Europe (including France), Asia, Australia, the Middle East, Africa and South America. Since its founding in 1987, Carlyle has invested U.S.$49.4 billion in 430 corporate private equity transactions. Carlyle has extensive experience in the telecommunications and media industry, which makes up 19% of the corporate private equity investments Carlyle has made globally, and in the cable industry, with investments in Com Hem (Sweden), Casema (now part of Ziggo, Holland), Telecable (Spain), Insight Communications (United States) and kbro Co. (Taiwan).

Cinven

Cinven is a leading private equity provider for large European buyouts, having led transactions totaling in excess of €65 billion. Since 1996, Cinven has completed 40 buyouts with an enterprise value of more than €500 million in eight countries across Europe. Cinven focuses on six sectors across Europe: business services; consumer; financial services; healthcare; industrials; and telecommunications, media and transportation, and has offices in London, Frankfurt, Milan, Paris and Hong Kong. Cinven has extensive experience in the cable and satellite industry as demonstrated by its investments in Ziggo (a leading Dutch cable operator) and in Eutelsat.

Fiberman

Fiberman is a Luxembourg investment vehicle through which certain members of our management are investing in the Group. Fiberman is controlled by Altice, Carlyle and Cinven, and 39.7% of its share capital is owned by our management.

Shareholders' Agreement

On March 12, 2008, certain funds affiliated with Cinven, certain funds affiliated with Carlyle, certain funds affiliated with Altice and Ypso Holding entered into an agreement to record certain arrangements that those parties had agreed should apply to their administration of Ypso Holding and its subsidiaries (the "Shareholders' Agreement"). The Shareholders' Agreement was amended on December 9, 2009 in connection with the restructuring of our Group's debt in 2009 and on February 3, 2011 in connection with the internal reorganization of our Group in 2010 and the nomination of Pierre Danon as chairman of the board of managers.

Board Composition

The Shareholders' Agreement sets forth the rights of Ypso Holding's various shareholders to appoint members of the board of managers (*conseil de gérance*) of Ypso Holding. Cinven, Carlyle and Altice have the right to appoint three members of the board of managers (as long as they continue to hold more than a certain portion of their initial investment in the Group). In addition, Altice has the right to appoint the Chairman (*président*) of the board of managers.

Board and Shareholders' Approval

The Chairman and the board of managers are entrusted with the management of the Group. The Shareholders' Agreement provides that most decisions are made by a simple majority of the members of the board of managers. Certain actions are subject to veto rights by one or more of the shareholders. The Shareholders' Agreement is structured to ensure that the board of managers is ultimately in control of any meaningful operations of any member of Ypso Holding and its subsidiaries.

Voting at the general shareholders' meeting are pro rata to the holdings of each shareholder. Resolutions passed by the shareholders' meeting are subject to a veto right by Altice.

Other Provisions

The Shareholders' Agreement requires Ypso Holding to provide shareholders with certain information, including annual budgets and financial accounts. In addition, Ypso Holding is required to procure that the businesses of the Group are properly managed and that all applicable laws are complied with. The Shareholders' Agreement also includes a number of other customary provisions, including restrictions on transfers and confidentiality obligations.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Relationships with Our Shareholders

Shareholder Financing

Our shareholders provided us with several subordinated shareholder financings. Please see "Description of Other Indebtedness—Shareholder Financing".

Management Fees

We have entered into management and administration services agreements with Carlyle and Cinven, pursuant to which each of them provides us with certain strategic, marketing, operation, procurement and other advice to us for a fixed fee, subject to restrictions pursuant to the Senior Facility Agreement.

Pursuant to these management and administration services agreements, we paid monitoring fees to Carlyle and Cinven in the aggregate amount of €0.3 million in the six months ended June 30, 2012, and €1.0 million, €1.0 million and €1.0 million in the years ended December 31, 2009, 2010 and 2011, respectively. Under the terms of the Senior Facility Agreement and the Intercreditor Agreement, we are permitted to pay up to €2.0 million per year to our sponsors for monitoring fees.

Acquisition of Notes

Funds managed or advised by each of Altice, Carlyle or Cinven may acquire Notes in the Offering.

Relationships with Altice

On June 30, 2011, we completed the sale of Coditel Belgium and Coditel Luxembourg to a consortium of investors, including Altice, for a purchase price of €369.2 million. Please see "Operating and Financial Review and Prospects—Recent Divestitures".

On March 12, 2008, we entered into a service agreement (the "Altice Service Agreement") with Altice Services LLP ("Altice Services"), an affiliate of Altice, under which Altice Services undertook to provide us with consulting services with respect to technology, equipment purchasing, marketing, client management, IT, financing, reporting, regulation and management. In consideration for these services, we undertook to pay Altice a fee based on the increase of our EBITDA and operating cash flow from year to year. We agreed with Altice Services to terminate this agreement with effect as of December 31, 2009. In May 2010, we paid €13.4 million in fees to Altice Services pursuant to the Altice Service Agreement, in connection with services rendered in 2009.

Altice owns cable networks in the French Antilles. We also provide assistance to these networks in purchasing hardware, including set-top boxes, and software. We pay telephony termination fees to such networks for the calls originating from our subscribers to subscribers of such networks, and receive telephony termination fees from such networks for the calls originating from their subscribers to our subscribers. For the year ended December 31, 2010, we charged €1.6 million for assistance services and received an aggregate net amount of €0.2 million of telephony termination fees from the owner of such networks.

Relationships with Carlyle

Sagemcom, one of our key suppliers of set-top boxes, was acquired by funds managed by Carlyle on August 17, 2011. For the year ended December 31, 2010, we purchased set-top boxes from Sagemcom for an aggregate purchase price of €39.3 million.

Mr. Jonathan Zafrani and Mr. Benoît Colas respectively represent CEP III Participations S.à r.l. SICAR and The Carlyle Group (Luxembourg) S.à r.l. (funds managed by Carlyle), each of which is a manager of our board. In the context of their employment with Carlyle, each of Mr. Zafrani and Mr. Colas are board members of certain of Carlyle's investment portfolio companies, including Sagemcom Holding, the holding company of the Sagemcom group.

Relationships with Completel

In September 2007, our shareholders Altice and Cinven acquired Completel, a wholesale and DSL White Label provider of voice, data and Internet-related services to corporate clients, telecommunications operators and public authorities, which enabled us to gain access to Completel's DSL network and metropolitan fiber networks.

We share our management with Completel, which may generate conflicts of interest, and which causes our management to divide its attention between the two businesses. Please see "Risk Factors—Risks Relating to Our Management, Major Shareholders and Related Parties—The interests of our shareholders may be inconsistent with the interests of the holders of the Notes, and the by-laws and shareholders' agreement of our parent holding company impose operating and financial restrictions on our business".

Completel also owns a substantial part of the network we use to provide our services, including a significant portion of our network's backbone. For a description of the interaction between our network and Completel's network, please see "Business—Our Network".

Completel and our Group provide several other services to each other. In the year ended December 31, 2010, we invoiced services for an aggregate amount of €28.8 million to Completel, and Completel invoiced services for an aggregate amount of €34.2 million to us. In the year ended December 31, 2011, we invoiced services for an aggregate amount of €68.5 million to Completel, and Completel invoiced services for an aggregate amount of €43.7 million to us. The main contractual relationships between Completel and our Group are summarized below.

Framework Services Agreement

On January 28, 2009, Ypso France, Numericable S.A.S., NC Numericable S.A.S. and Est Videocommunication S.A.S. entered into a framework service agreement (the "Framework Services Agreement") with Completel and its controlling shareholder, Altice B2B S.A.S. The purpose of the Framework Service Agreement is to formalize certain relationships and transactions between the Completel Group and the Numericable Group, including with respect to (i) the lease of certain buildings and office space, (ii) legal, finance and accounting services, (iii) human resources management, and (iv) sourcing (including joint orders of supplies and services). Services provided under the Framework Services Agreement are charged at cost, plus a margin.

The Framework Services Agreement was entered into for an initial term of one year, starting retroactively on January 1, 2008, and is automatically renewed for additional one-year terms, subject to the right of each party thereto to terminate it upon one month's notice.

For the year ended December 31, 2010, we paid €37,165 to Completel and Completel paid €1.4 million to us for services rendered pursuant to the Framework Services Agreement. For the year ended December 31, 2011, neither we nor Completel invoiced any amounts to one another for services performed under the Framework Services Agreement.

Telephony Traffic Agreement

Numericable S.A.S., NC Numericable S.A.S. and Est Videocommunication S.A.S. entered into a telephony traffic agreement (the "Telephony Traffic Agreement") with Completel, pursuant to which

Completel agreed to carry our telephony traffic to the customers of national and international networks accessible through Completel's network.

The Telephony Traffic Agreement was entered for an initial term of five years, starting retroactively on January 1, 2010, and will be renewed for an indefinite term, subject to the right of each party thereto to terminate it with upon six months' notice. It will also terminate automatically in the event of a change of control (as defined in the Telephony Traffic Agreement) of any party thereto.

For the initial term of the Telephony Traffic Agreement, we agreed to exclusively use Completel for the purpose of carrying our telephony traffic, with the exception of "On Net" traffic to Numericable customers (which we carry ourselves), traffic to Numericable-branded mobile phones (which is carried by Bouygues Telecom pursuant to our MVNO agreements), and traffic to "special" numbers. Fees are based on the connection fees actually charged by other operators to Completel for the connection of calls originating from our clients to their respective networks, plus a margin.

For the year ended December 31, 2010, we paid €31.1 million in fees to Completel pursuant to the Telephony Traffic Agreement. For the year ended December 31, 2011, we paid €40.6 million in fees to Completel and Completel paid €2.6 million in fees to us pursuant to the Telephony Traffic Agreement.

Local Loop Access Agreement

Numericable S.A.S., NC Numericable S.A.S. and Est Videocommunication S.A.S. entered into a service agreement (the "Local Loop Access Agreement") with Completel, pursuant to which we agreed to give Completel access to our local loop fiber network, to connect Completel's professional customers to our network through dedicated fibers, and to provide maintenance services for the fibers made available to Completel.

The Local Loop Access Agreement was entered for a nonrenewable term of 25 years, starting retroactively on January 1, 2010. It will also terminate automatically upon a change of control (as defined in the Local Loop Access Agreement) of any party thereto.

We charge Completel a one-time fixed fee for the connection of each of its professional customers to our local loop fiber network, and an annual fixed fee per customer for the maintenance of the fibers made available to Completel. For the year ended December 31, 2010, Completel paid €6.4 million in fees to us pursuant to the Local Loop Access Agreement. For the year ended December 31, 2011, Completel paid €24.5 million in fees to us pursuant to the Local Loop Access Agreement.

White Label Invoicing Agreement

Numericable S.A.S. and NC Numericable S.A.S. entered into an agreement (the "White Label Invoicing Agreement") with Completel, pursuant to which Completel agreed to invoice our White Label customers on our behalf. Under each of our three White Label agreements, Completel sends invoices that include (i) a fee per subscriber, which depends on the type of package subscribed, (ii) the telephony charges and (iii) VOD charges on a monthly basis to the relevant White Label provider. By way of exception, digital television services provided to Darty customers are invoiced by Darty on behalf of Numericable, and paid directly by Darty to Numericable. In addition, Numericable directly invoices Darty for the delivery of set-top boxes and broadband routers.

The White Label Invoicing Agreement was entered for an initial term of one year, starting retroactively on January 1, 2010, and is automatically renewed for additional one-year terms, subject to the right of each party thereto to terminate it with notice. It will also terminate automatically upon a change of control (within the meaning of Article L.233-3 of the French Commercial Code) of any party thereto.

For the year ended December 31, 2010, we paid €0.4 million to Completel in fees under our White Label Invoicing Agreement. For the year ended December 31, 2011, we paid €0.4 million to Completel in fees under our White Label Invoicing Agreement.

Relationships with Coditel

On May 19, 2011, Ypso France and certain of its subsidiaries entered into a share purchase agreement with Coditel Holding S.A., pursuant to which we sold all the outstanding shares in Coditel Belgium and Coditel Luxembourg, the entities through which we owned our Belgian and Luxembourg cable operations, for a purchase price of €369.2 million. The sale was completed on June 30, 2011. Coditel Holding S.A. is controlled by certain financial investors, including Altice, one of our shareholders.

We granted customary representations and warranties associated with a capped and floored 18-month indemnification clause. However, the share purchase agreement provides for a specific indemnity clause (without any cap or floor) for:

- any potential tax litigations relating to (i) VAT, (ii) bad debt provisions, (iii) accounting of intragroup management fees, licensing fees, interests and any other fees, commissions or charges, (iv) the 2005 restructuration of our Group, and (v) the tax structuring of the Coditel sale;
- any risk associated with Coditel's 2002 and 2004 collective redundancy plans; and
- any litigation with managers leaving Coditel in connection with the sale of Coditel.

Simultaneously with the sale of Coditel Belgium and Coditel Luxembourg, we entered into a services agreement and a trademark license agreement with Coditel Holding S.A. to ensure the continuity of its operations.

Services Agreement

On June 30, 2011, Numericable S.A.S. entered into a services agreement with Coditel Holding S.A. (the "Coditel Services Agreement"). Pursuant to the Coditel Services Agreement, we will continue to provide Coditel Holding S.A. with all of the services we were providing to it prior to its sale, including:

- VOD platform and content services;
- television, IP and voice engineering services;
- support and assistance in purchasing hardware and devices needed for its operations, particularly set-top boxes and software, broadband routers and mobile handsets, as well as television and VOD content;
- the delivery of television channels signals and existing data flows over our backbone;
- the upgrading of Coditel's billing software; and
- continued support of Coditel's systems currently located in our premises or currently supported by our systems.

In consideration of the services provided, Coditel Holding S.A. agreed to pay us a total of €100,000 per year. In addition, Coditel Holding S.A. will pay us 10% of its monthly VOD revenues. In 2011, Coditel Holding S.A.'s VOD revenues amounted to approximately €0.4 million.

The initial term of the Coditel Services Agreement is six years and can thereafter be renewed for consecutive one-year periods, unless six months' prior written notice to the contrary is given by either

party. In addition, we can terminate the Coditel Services Agreement by giving six months' prior written notice in the event that Coditel Holding S.A. is acquired by one of our competitors.

Trademark License Agreement

On June 30, 2011, Coditel Holding S.A. and Numericable also entered into a trademark license agreement (the "Trademark Agreement"). Pursuant to the Trademark Agreement, we will provide a license to Coditel Holding S.A. to use our trademark "Numericable", registered under Ma14502, exclusively in Belgium and Luxembourg in relation to the offering, promotion and commercialization of television, Internet and telephone products and services. The license fee is included in the €100,000 annual fee under the Services Agreement. The Trademark Agreement terminates automatically on June 30, 2017, upon termination of all services under the Coditel Services Agreement or upon the expiration of the Coditel Services Agreement. We may immediately terminate the Trademark Agreement in the event that Coditel is acquired by one of our competitors.

Ordinary Course Transactions

In the ordinary course of our business, we provide cable, broadband Internet and telephony services to certain of our managers and members of our senior management. We do not consider these transactions to be material to us, either individually or in the aggregate.

DESCRIPTION OF OTHER INDEBTEDNESS

Set forth below is a summary of certain of our existing significant debt arrangements. The following summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. Please see "Annex A: Senior Facility Agreement", "Annex B: Intercreditor Agreement" and "Annex C: Form of C (Additional Senior Financing) Facility Voting Undertaking".

Senior Facility Agreement

Ypso France S.A.S., as the "Company" and a guarantor, entered into a Senior Facility Agreement dated June 6, 2006, as subsequently amended and restated from time to time with BNP Paribas, Calyon, Lehman Brothers Bankhaus AG, London Branch and Morgan Stanley Bank International Limited, as mandated lead arrangers, initially for the purpose of, notably, the acquisition and refinancing of the financial indebtedness of the Group (the "Senior Facility Agreement"). The Company is a borrower under the Senior Facility Agreement together with Est Videocommunication S.A.S., Numéricâble SAS and NC Numéricâble SAS, such entities also being guarantors under the Senior Facilities (as defined below), each guaranteeing, subject to certain limitations, the obligations of each other borrower and guarantor (all borrowers together with any such additional borrower and guarantors, the "Obligors").

This description gives effect to the amendments to our Senior Facility Agreement made on October 12, 2012, in order to facilitate the issuance of the Notes.

As of June 30, 2012, the Senior Facility Agreement provided for facilities in an aggregate principal amount of €2,351.6 million (excluding €130.9 million aggregate principal amount that has been acquired by one of our subsidiaries, Coditel Debt S.à r.l.), comprised of the facilities set forth in the table below (together, the "Senior Facilities").

Facility	Borrowers	Maturity	Principal Unadjusted Amount Outstanding as of June 30, 2012 (Unaudited)
A (Recap) 1-I	Numericable S.A.S. NC Numericable S.A.S.	June 15, 2013	€23.5 million
A (Recap) 1-II	Numericable S.A.S. NC Numericable S.A.S.	June 6, 2015	€34.3 million
A (Acq) 1-I	Company	June 15, 2013	€15.9 million
A (Acq) 1-II	Company	June 6, 2015	€22.1 million
B (Recap) 1-I	Company NC Numericable Numericable S.A.S. Est Videocommunication S.A.S.	June 15, 2014	€221.1 million
B (Recap) 1-II	Company NC Numericable S.A.S. Numericable S.A.S. Est Videocommunication S.A.S.	June 6, 2016	€391.3 million
B (Acq) 1-I	Company	June, 15, 2014	€82.6 million
B (Acq) 1-II	Company	June 6, 2016	€167.8 million
B (Acq) 2-I	Company	June 15, 2014	€143.2 million
B (Acq) 2-II	Company	June 6, 2016	€266.4 million
C (Recap) -I	Company	December 31, 2015	€130.8 million
C (Recap) -II	Company	December 31, 2017	€328.5 million
C (Acq) -I	Company	December 31, 2015	€73.2 million
C (Acq) -II	Company	December 31, 2017	€171.9 million
Capital Investment 1-II	Any borrower	June 6, 2015	€23.5 million
Capital Investment 2-I	Any borrower	June 15, 2013	€14.8 million
Capital Investment 2-II	Any borrower	June 6, 2015	€11.7 million
Additional Revolving Facility	Company	No earlier than March 31, 2016	—
Additional C Facility	Company	February 15, 2019	€360.2 million
Total*			**€2,482.5 million**

* Including €130.9 million aggregate principal amount owed by one of our subsidiaries, Coditel Debt S.à. r.l.

The A Recap 1-II Facility, A (Acq) 1-II Facility, B (Recap) 1-II Facility, B (Acq) 1-II Facility, B (Acq) 2-II Facility, Capital Investment Facility 1-II, Capital Investment Facility 2-II, C (Recap) II Facility and C (Acq) II Facility (together, the "Term Extension Facilities") were split out from their respective related Senior Facilities (designated "I") on September 16, 2011.

The Senior Facility Agreement also provides for an uncommitted term loan C facility (the "Additional C Facility"). On the Loan Funding Date, the Lending Bank will grant the Additional C2 Facility Loan to the Company under the Additional C Facility. The Additional C2 Facility Loan will initially have a principal amount equal to the aggregate principal amount of the Notes. The respective maturity dates of the C2 Loan Tranche A and the C2 Loan Tranche B of the Additional C2 Facility Loan will be the same as the respective maturity dates of the Fixed Rate Notes and the Floating Rate Notes. The Issuer will acquire the Additional C2 Facility Loan from the Lending Bank on the Loan Acquisition Date, which is expected to be the Loan Funding Date.

On February 8, 2012, the Company entered into a commitment letter with BNP Paribas, Crédit Agricole Corporate and Investment Bank and HSBC France pursuant to which such lenders have jointly committed to provide an Additional Revolving Facility in a principal amount of €65 million to the Company.

Upon delivery of the C (Additional Senior Financing) Commitment Letter (as defined in the Senior Facility Agreement) and the Additional Revolving Facility Commitment Letter (as defined in the Senior Facility Agreement), the Lending Bank and BNP Paribas, Crédit Agricole Corporate and Investment Bank and HSBC France, as lenders under the Additional Revolving Facility, acceded to the Senior Facility Agreement as lenders under, respectively, the Additional C Facility and the Additional Revolving Facility.

No lender under the Additional C Facility may benefit from any covenants, representations or warranties, events of default or financial covenants under the Senior Facility Agreement in addition to those that benefit the other Senior Facilities under the Senior Facility Agreement.

Interest and Fees

The Senior Facilities bear interest at rates per annum equal to EURIBOR or, if relevant, LIBOR plus certain mandatory costs and the margins (as each is set forth in the Senior Facility Agreement).

The margin means a rate adjusted by reference to a total leverage ratio equal to the ratio of consolidated total net borrowings of the Group (excluding shareholder debt) to annualized EBITDA, as set forth in the table below (subject to an event of default continuing (at which time the cash margin shall revert to the highest level set forth in respect of the relevant Senior Facility below)):

Consolidated Total Net Borrowings to Annualized EBITDA	**The A Facilities[1]/ Capex Facilities[2] Margin % p.a.**	**The B Facilities[3] Margin % p.a.**	**The C Facilities[4] Margin % p.a.**
Greater than 6.5:1	2.375	N/A	N/A
Equal to or less than 6.5:1 but greater than 6.0:1 (only greater than 6.0:1 for B facilities)	2.125	2.75	N/A
Equal to or less than 6.0:1 but greater than 5.5:1	1.875	2.50	N/A
Equal to or less than 5.5:1 but greater than 5.0:1 (only greater than 5.0:1 for C facilities)	1.625	2.25	3.00
Equal to or less than 5.0:1 but greater than 4.5:1 (only equal to or less than 5.0:1 for B facilities and C facilities)	1.375	2.25	2.75
Equal to or less than 4.5:1	1.25	N/A	N/A

(1) A (Recap) 1-I Facility, A (Recap) 1-II Facility, A (Acq) 1-I Facility and A (Acq) 1-II Facility.

(2) Capital Investment Facility 1-II, Capital Investment Facility 2-I and Capital Investment Facility 2-II.

(3) B (Recap) 1-I Facility, B (Recap) 1-II Facility, B (Acq) 1-I Facility, B (Acq) 1-II Facility, B (Acq) 2-I Facility and B (Acq) 2-II Facility.

(4) C (Recap) I Facility, C (Recap) II Facility, C (Acq) 1 Facility and C (Acq) II Facility.

The Term Extension Facilities will also accrue additional cash interest as set forth below by the reference to the senior leverage ratio (i.e., consolidated total net borrowings excluding subordinated borrowings).

Consolidated Total Senior Net Borrowings to Annualized EBITDA	Additional Cash Interest (%)
Greater than 4.75:1	1.00
Less than or equal to 4.75:1 but greater than 4.00:1	0.75
Less than or equal to 4.00:1 but greater than 3.25:1	0.50
Less than or equal to 3.25:1	0.00

The amounts outstanding under the Senior Facilities accrue rolled-up interest at 1.25% per annum or 0.75% if the total leverage ratio is less than or equal to 4.25:1; *provided* that rolled-up interest must be paid in cash in respect of the Term Extension Facilities and may be paid in cash in respect of the other Senior Facilities if the Company so elects.

The margin in respect of the Term Extension Facilities has been increased by 0.25% from October 15, 2012.

Interest on overdue amounts under the Finance Documents (as defined in the Senior Facility Agreement) is payable immediately on demand by the facility agent at a rate to be determined by the facility agent in accordance with the Senior Facility Agreement.

Security and Guarantees

The Senior Facilities are secured by first-ranking and, in some cases, additional lower-ranking pledges over Obligors' (other than Ypso Holding's) shares (and pledges over certain Obligors' subsidiaries' shares), bank accounts and receivables. Ypso Holding S.A. (the "Parent") also pledges its holdings in the relevant Obligors' shares and bank accounts. The Issuer as lender under the Additional C2 Facility Loan as from the Loan Acquisition Date shall benefit from the same security package as provided to the existing senior lenders, subject to the guarantee limitations referred to below (which also qualify the security package).

The Senior Facilities are guaranteed irrevocably and unconditionally on a joint and several basis by each Obligor under the Senior Facility Agreement subject to certain limitations. The Obligor guarantees to each finance party the due and punctual performance by the other Obligors of all their obligations under the Senior Facility Agreement subject to certain limitations.

Undertakings and Covenants

The Senior Facility Agreement contains customary negative undertakings, subject to certain agreed exceptions, including, but not limited to, restrictions on:

- acquisitions or investments;
- loans or otherwise extending credit to others;
- incurring indebtedness or issuing guarantees;
- creating security;
- selling, transferring or disposing of assets;
- merging or consolidating with other companies;
- paying dividends, redeeming share capital or redeeming or reducing subordinated indebtedness;

- issuing shares;
- entering into joint venture transactions;
- making certain derivative transactions;
- making a substantial change to the general nature of its business;
- changing its center of main interests; and
- modifying certain acquisition documents and other agreements.

The Senior Facility Agreement also contains positive undertakings, subject to certain exceptions and including, but not limited to, covenants relating to:

- the maintenance of relevant authorizations;
- the maintenance of insurance;
- granting security over shares in any material subsidiary directly held by an Obligor;
- compliance with laws, including environmental laws and regulations;
- ensuring that its obligations under the Senior Facilities rank at least *pari passu* with the claims of other creditors; and
- the prepayment of term facilities with proceeds from any loans made under the Additional C2 Facility Loan.

The Senior Facility Agreement contains certain reporting requirements, and particularly an obligation to provide audited consolidated and unconsolidated annual financial statements, consolidated unaudited quarterly financial statements and monthly statistics reports.

The Senior Facility Agreement also requires certain financial covenants, including:

- a debt service cover ratio (consolidated cashflow to consolidated total debt service) (such covenant being suspended for so long as the total leverage ratio is less than 3.0x);
- an interest cover ratio (annualized EBITDA to consolidated total net cash interest payable);
- a total leverage ratio (consolidated total net borrowings to annualized EBITDA); and
- a maximum level of capital expenditure per year (such covenant being suspended for so long as the total leverage ratio is less than 3.0x).

Compliance with such financial covenants is measured based on our French GAAP financial statements.

Prepayments

The Senior Facilities will be immediately cancelled, and all obligations under the Senior Facilities will be immediately payable in full, if, among other events, there is a change of control or sale of all or substantially all of the assets or business of the Group, as detailed in the Senior Facility Agreement.

Mandatory prepayments are required to be made out of, among other things, the following funds received by the Group:

- net cash proceeds in relation to certain disposals, insurance claims and recovery claims in respect of the original acquisition, to the extent that such net cash proceeds exceed certain agreed thresholds and subject to various exclusions;

- net proceeds from a listing subject to the total leverage ratio, whereby 50% of proceeds are required to be repaid if leverage is greater than 5.50:1 and 25% if it is equal to or less than to 5.50:1 but greater than 4.50:1. If leverage is equal to or less than 4.50:1 no net proceeds from a listing are required to be prepaid; and
- for each financial year, a percentage of excess cashflow, which percentage decreases as the total leverage ratio decreases in line with the required percentage of prepayment to be made with the proceeds from a listing as set forth above.

Subject to the payment of break costs (if any), the borrowers may voluntarily prepay amounts outstanding under the Senior Facilities, without penalty or premium, at any time in whole or in part, subject to agreed minimum amounts, on not less than five business days' notice to the agent. No loan under the Additional C Facility may be prepaid unless it is from proceeds of another loan under the Additional C Facility, from the proceeds of a subordinated intercompany loan indirectly funded by a senior subordinated note issue and/or from retained excess cashflow (in the last-mentioned case, provided the other term loans under the Senior Facilities are prepaid at the same time pro rata). No amounts prepaid by the borrowers under the term loans may be reborrowed.

The borrowers may voluntarily cancel unutilized amounts of the total commitments, under the Senior Facilities, other than a Capex Facility, in whole or in part, subject to agreed minimum amounts and multiples, on not less than five business days' notice to the agent. No amount of the total commitments cancelled under the Senior Facilities may subsequently be reinstated.

The first €150,000,000 of net proceeds (after payments of fees, costs and expenses related to the relevant loan) of the Additional C Facility must be applied in prepayment of amounts due under the A (Recap) 1-I Facility, the A (Acq) 1-I Facility, the A (Recap) 1-II Facility, the A (Acq) 1-II Facility and the Capex Facility pro rata across such facilities, and within each such facility pro rata against each repayment instalment. Thereafter, the next €200,000,000 of net proceeds (after payments of fees, costs and expenses related to the relevant loan) of the Additional C Facility must be applied in prepayment of amounts due under the B (Recap) 1-II Facility, the B (Acq) 1-II Facility, the B (Acq) 2-II Facility, the C (Recap)-II Facility and the C (Acq)-II Facility. A prepayment in an amount of €350,000,000 was made on 15 February 2012 in accordance with the order set out above.

Thereafter, in respect of any further net proceeds (after payments of fees, costs and expenses related to the relevant loan) of the Additional C Facility (including the Additional C2 Facility Loan), until the aggregate amount of prepayments made from the proceeds of loans under the Additional C Facility, and Senior Subordinated Notes issued, after February 15, 2012 is greater than €400 million, 75% of such amount must be applied in prepayment of amounts due under the B (Recap) 1-I Facility, the B (Acq) 1-I Facility and the B (Acq) 2-I Facility, pro rata across such facilities, and 25% of such amount must be applied in prepayment of amounts due under the A (Recap) 1-I Facility, the A (Acq) 1-I Facility, the A (Recap) 1-II Facility, the A (Acq) 1-II Facility, the C (Recap)-I Facility, the C (Acq)-I Facility and the Capex Facility, pro rata across such facilities and within each such facility pro rata against each repayment instalment of such facility. Thereafter, net proceeds (after payments of fees, costs and expenses related to the relevant loan) of the Additional C Facility (including the Additional C2 Facility Loan) which are in excess of €400,000,000 shall be applied against the principal amounts outstanding under the Senior Facilities and repayment instalments thereunder as the Company shall elect.

The obligation to make a mandatory prepayment shall only apply to a loan under the Additional C Facility to the extent a corresponding prepayment is required in respect of the borrowings that financed such loan.

Events of Default

The Senior Facility Agreement sets forth certain events of default (subject to materiality, cure periods and other exceptions where appropriate) including, without limitation:

- the nonpayment of amounts due;
- breach of financial covenants and other obligations;
- inaccuracy of a representation or statement when made, deemed to be made or repeated;
- the invalidity or unlawfulness of the Finance Documents (as defined in the Senior Facility Agreement);
- cross-defaults, including for acceleration of amounts due under the Additional C Facility;
- insolvency;
- any event of default outstanding under any senior subordinated notes;
- the failure to comply with certain final judgments;
- material audit qualification;
- material adverse effect; and
- the failure of any party (other than the lenders) to comply with the material terms of, or perform material obligations under, the Intercreditor Agreement.

If an event of default is continuing, the Senior Facility Agreement provides that the agent for the Senior Facilities will, if so instructed by the relevant majority lenders, accelerate the Senior Facilities and declare that all or part of any amount outstanding under such Senior Facilities are immediately due and payable and/or payable on demand by the lenders.

If any amount outstanding under the Fixed Rate Notes or the Floating Rate Notes becomes prematurely due and payable under the relevant Indenture, the Senior Facility Agreement provides that the agent for the Senior Facilities will, if so instructed by the Issuer or the Notes Security Agent or any nominee thereof, accelerate the Additional C2 Facility Loan or declare that all or part of any amount outstanding under the Additional C2 Facility Loan is immediately due and payable and/or payable on demand by the Issuer or the Notes Security Agent or any nominee thereof.

Enforcement

An enforcement action with respect to the enforcement of security under the Senior Facility Agreement requires a vote of the instructing group under the Senior Facility Agreement, defined as more than 66⅔% of the total principal amount of the outstandings, and total commitments under the Senior Facility Agreement.

Voting Agreement

For a description of the C (Additional Senior Financing) Facility Voting Undertaking, please see "Description of the Notes—Voting rights under the Senior Facility Agreement". A form of the C (Additional Senior Financing) Facility Voting Undertaking is attached to this offering memorandum as Annex C.

Intercreditor Agreement

On June 6, 2006, the Parent, the Company and certain subsidiaries, the initial lenders under the Senior Facility Agreement and BNP Paribas as the Senior Agent and Senior Facility Security Agent, among others, entered into the Intercreditor Agreement.

The Intercreditor Agreement sets forth, among other things:

- the relative ranking of certain debt (including debt incurred under the Senior Facilities) of the Obligors;
- when payments can be made in respect of the subordinated debt of the Obligors;
- when enforcement action can be taken in respect of the subordinated debt;
- the terms pursuant to which the subordinated debt will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions; and
- when guarantees and security will be released to permit an enforcement sale.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and we urge you to read that document.

Ranking and Priority

The Intercreditor Agreement provides that the Debt (as defined below) shall rank in right and priority of payment, in each case in the following order:

- firstly, all liabilities owing to any finance party under the Senior Facilities, including any lender under the Additional C Facility (the "Finance Parties") and liabilities owing to certain hedge counterparties (who, together with the Finance Parties, are the "Senior Creditors") under certain hedging agreements *pari passu* together with any additional liabilities (collectively, the "Senior Debt"); and
- secondly, any Subordinated Debt (as defined below) and Service Provider Debt (as defined below) *pari passu* without any preference between the Subordinated Debt and Service Provider Debt.

"Debt" means the Senior Debt and the Subordinated Debt.

"Service Provider Debt" means the liabilities of a member of the Group to Altice Services LLP or any other entity that provides management services to the Group (the "Service Provider") and which acceded to the Intercreditor Agreement under or in connection any services agreement or management agreement.

"Subordinated Debt" means the liabilities of (i) any member of the Group to the Parent under or in connection with any shareholder debt documents together with any related additional liabilities (the "Shareholder Debt") and (ii) any member of the Group to any intercompany lenders which are party to the Intercreditor Agreement (the "Inter-company Lenders" and, together with the Parent, the "Subordinated Creditors") together with any related additional liabilities (the "Intergroup Debt").

Permitted Payments

Prior to the Senior Discharge Date (as defined below) and subject to the terms of the Intercreditor Agreement, unless the Majority Senior Creditors (as defined below) have otherwise

agreed, no Obligor may make any payment of any amount of Subordinated Debt or Service Provider Debt save for certain payments as set forth in the Intercreditor Agreement and provided that:

(i) no Subordinated Block Notice (as defined below) is in force; and

(ii) an Obligor does not fail to pay on the relevant due date (a) any principal, interest, fees, commissions or similar amount or (b) any other amount which when aggregated with all other unpaid amounts in this limit (c) exceeds €100,000 (a "Senior Payment Default").

A Subordinated Block Notice is in force during the period from the date on which the agent under the Senior Facility Agreement (the "Senior Agent") (on the instructions of more than the 66⅔% of the Senior Creditors by commitments (or in the case of the hedge counterparties, hedging exposure) (the "Majority Senior Creditors")) serves a notice (a "Subordinated Block Notice") on the Parent and the Subordinated Creditors specifying that an event of default under the Senior Facility Agreement (a "Senior Default") is outstanding and suspending payment of the Subordinated Debt and Service Provider Debt, until the earliest of:

(i) a Senior Payment Default ceasing to be outstanding;

(ii) the date on which the agent under the Senior Facility Agreement (the "Senior Agent") confirms that the Senior Default concerned has been ceased or waived by the Majority Senior Creditors or has ceased to exist;

(iii) the date on which the Senior Agent cancels the Subordinated Block Notice (acting on instructions from the Majority Senior Creditors); and

(iv) the Senior Discharge Date.

The above does not prohibit payment of certain fees to the Parent, investors and the Service Provider and, if and while any senior subordinated notes are outstanding, permitted payments under such notes which are permitted to be made in accordance with any Senior Subordinated Notes Intercreditor Agreement (as defined herein).

Prior to the Senior Discharge Date (as defined below) following the occurrence of a Senior Default and after notice of acceleration, notwithstanding payments that would have otherwise been permitted under the Intercreditor Agreement, no Obligor may pay, and no Subordinated Creditor or Service Provider may receive and retain payment of any amount of Subordinated Debt or Service Provider Debt and (i) all amounts payable under the Finance Documents (as defined in the Senior Facility Agreement) and Subordinated Debt agreements, (ii) all proceeds of enforcement of the security documents and (iii) any payment in cash or in kind with respect to the Senior Debt or Subordinated Debt, shall be paid directly to the Security Agent, subject to any Senior Subordinated Notes Intercreditor Deed and permitted senior subordinated note payments thereunder that are not prohibited.

"Senior Discharge Date" means the date on which the Senior Debt has been irrevocably paid and discharged and all commitments of each Senior Creditor have been cancelled or terminated.

Entitlement to Enforce

Prior to the Senior Discharge Date, the Subordinated Lenders shall not take any enforcement action.

Subordination

If an insolvency event occurs in respect to any Obligor, until all Senior Debt has been paid in full and until the Senior Discharge Date, the Subordinated Creditors, the Service Provider and the hedge counterparties will (x) hold all payments in cash or in kind received or receivable by it in respect of the

relevant Debt and turn it over in accordance with the Intercreditor Agreement; (y) on demand by the Senior Facility Security Agent, pay an amount equal to any Debt owing to it and discharged by set-off, combination of accounts or otherwise to the Security Agent for application in accordance with the Intercreditor Agreement; and (z) promptly do whatever the Security Agent requests to give effect to the relevant provisions in the Intercreditor Agreement.

Turnover

If, at any time prior to the Senior Discharge Date, any Senior Creditor, Subordinated Creditor or the Service Provider receives or recovers (including by way of set-off) monies or assets (each such monies or assets being a "Turnover Receipt") which under the terms of the Intercreditor Agreement it is not permitted to receive or recover, such Senior Creditor, Subordinated Creditor or the Service Provider shall

(i) (if the trust is recognized) hold such Turnover Receipt on trust for the Security Agent and promptly pay (after) deducting the costs, liabilities and expenses incurred in recovering such amounts, subject to any applicable guarantee limitations, such amount (or amount equal thereto); and

(ii) (if the trust is not recognized) pay to the Security Agent for application as provided in the Intercreditor Agreement.

Application of Proceeds

Subject to the rights of the holders of any prior security or other creditors, the net proceeds of enforcement of the Transaction Security (as defined herein) shall be paid to the Security Agent. Those proceeds and all other amounts paid to the Security Agent under the Intercreditor Agreement shall be applied (subject to the limitations set forth in the Intercreditor Agreement) in the following order:

- firstly, in payment of the remuneration, costs, expenses and liabilities (and all interest thereon) of the Security Agent or any receiver, attorney or agent in connection with carrying out their duties and exercising their powers and discretions under the security documents;
- secondly, in payment of fees payable to the Senior Creditors in connection with any Senior Debt *pari passu*;
- thirdly, in payment to the Senior Agent for application towards the Senior Debt; and
- lastly, in payment of the surplus (if any) to the Obligors or other persons entitled to it.

The application of proceeds as set forth above will be limited to the extent the proceeds of enforcement of any encumbrances, guarantees or indemnities or any amount held or received by the Senior Facility Security Agent pursuant to the terms of the Intercreditor Agreement (to be applied towards the discharge of liabilities) would not result in or have the effect of an unlawful payment or discharge, or a Prohibited Corporate Action (as defined below). As a result of such limitation (but subject at all times to the provisions of the Intercreditor Agreement) (a) the proceeds that are affected by such limitation (the "Affected Proceeds") will be applied in or towards the discharge in full only of the Senior Debt guaranteed or secured by the rights the enforcement or realization of which gave rise to such Affected Proceeds and (b) any other amounts held or received by the Senior Facility Security Agent that are affected by such limitation (the "Affected Amounts") will be applied in or towards the discharge in full only of the Senior Debt the discharge of which does not result in or does not have the effect of an unlawful payment or discharge or a Prohibited Corporate Action and all remaining proceeds or amounts shall be returned to the relevant Obligor or persons entitled to them.

"Prohibited Corporate Action" shall mean any act or omission that (a) would constitute a breach of a fiduciary duty or a misuse of corporate assets as prescribed under the French Commercial Code

(*Code de commerce*) or under the Luxembourg law on commercial companies (or any similar law or regulation in any jurisdiction) or (b) would constitute a breach of the financial assistance prohibition pursuant to the French Commercial Code, the Belgian Company Code (*Code des sociétés*) or the Luxembourg Code (*Code des sociétés*) (or any similar law or regulation prohibiting financial assistance in any jurisdiction) or (c) would be contrary to the corporate interest of the person concerned (or any similar law or regulation in any jurisdiction).

Enforcement of Transaction Security

The Senior Facility Security Agent will enforce the security documents only at the request of the Senior Agent (acting in accordance with the Finance Documents (as defined in the Senior Facility Agreement) in respect of the Senior Debt).

Subject to the Transaction Security having become enforceable in accordance with the relevant security documents and after the request to commence enforcement has been issued by the Security Agent to the Obligors, the Senior Facility Security Agent will act on the directions of the Senior Agent (acting on instructions from the Majority Senior Creditors).

The Senior Facility Security Agent may refrain from acting in accordance with the instructions (i) until it has received such security required for costs or losses which it may incur in complying with the instructions or (ii) it believes that acting in accordance with such instructions could render it in breach of any Senior Subordinated Notes Intercreditor Agreement.

The Senior Creditors beneficiaries of first-ranking security granted by the Obligors under the relevant security documents (the "First-Ranking Security Beneficiaries") agree that Senior Creditors benefiting from second-ranking security granted by the Obligors under the relevant security documents (the "Second-Ranking Security Beneficiaries") will receive proceeds of enforcement in accordance with clause 12 of the Intercreditor Agreement, as summarized under "—Application of Proceeds" above. The First-Ranking Security Beneficiaries agree (to the extent required to create or permit to subsist such second-ranking security) to hold assets subject to the second-ranking security as *tiers convenu* (where applicable for the relevant security) for the Second-Ranking Security Beneficiaries in accordance with the terms of the Intercreditor Agreement. While first-ranking security exists, no Second-Ranking Security Beneficiary has an independent right to instruct the Senior Facility Security Agent to take enforcement action in relation to any second-ranking security. Any enforcement of first-ranking security shall entail enforcement of second-ranking security, unless the Senior Facility Security Agent decides otherwise.

Accession

Any lender under the Additional C Facility or Additional Revolving Facility shall execute, and deliver to the Senior Facility Security Agent (as a condition precedent to becoming such) an accession agreement to the Intercreditor Agreement.

Amendment

Other than certain technical amendments, the Senior Agent may only make amendments to the Intercreditor Agreement if (i) authorized by the Majority Senior Creditors; and (ii) any party to the Intercreditor Agreement (other than the Senior Creditors) whose right would be adversely affected, whose obligation would be varied or on whom additional obligations would be imposed by such amendment has consented to such amendment. The Senior Facility Security Agent may amend the security documents (if authorized by the Majority Senior Creditors) save for certain exceptions set forth in the Intercreditor Agreement, including if the amendment requires the prior consent of all lenders or lenders whose commitments aggregate more than 85% in circumstances specified in the Intercreditor

Agreement or if amendments are certain technical amendments as specified in the Intercreditor Agreement.

The Intercreditor Agreement is governed by English law.

Senior Subordinated Notes Intercreditor Agreement

In connection with any future issuance of senior subordinated notes ("Senior Subordinated Notes") the proceeds of which are downstreamed into the Group, the issuer of the Senior Subordinated Notes (the "Senior Subordinated Issuer"), the Parent, the relevant note trustee and the Senior Facility Security Agent, among others, will enter a senior subordinated notes intercreditor agreement (the "Senior Subordinated Notes Intercreditor Agreement").

The following description is a short summary of certain provisions to be contained in the Senior Subordinated Notes Intercreditor Agreement. The Senior Subordinated Notes Intercreditor Agreement will be substantially in the form set out in Schedule 21 to the Senior Facility Agreement. Please see "Annex A: Senior Facility Agreement".

Ranking and Priority

The Senior Subordinated Notes Intercreditor Agreement provides, subject to the provisions in respect of permitted payments, that the relevant debt will rank in the following order:

- firstly, all liabilities of an Obligor to any finance party under the Senior Facilities (including any Additional C Facility) and certain hedge counterparties (each a "Senior Creditor") under or in connection with the senior finance documents (the "Senior Debt"); and
- secondly, all liabilities of any member of the Group to any Senior Subordinated Note Creditor (as defined in the Senior Subordinated Notes Intercreditor Agreement) under or in connection with the Senior Subordinated Note Documents (as defined in the Senior Subordinated Notes Intercreditor Agreement), the Subordinated Proceeds Loan Agreements (as defined in the Senior Subordinated Notes Intercreditor Agreement). The Subordinated Proceeds Loan Agreement and Subsidiary Proceeds Loan Agreements are together the "Proceeds Loan Agreements" and, if relevant, the Subsidiary Proceeds Loan Agreement (as defined in the Senior Subordinated Notes Intercreditor Agreement) (the "Non-Issuer Note Debt") (but not, for the avoidance of doubt, including the liabilities of the Senior Subordinated Issuer to any Senior Subordinated Creditors under or in connection with the Senior Subordinated Note Documents (the "Senior Subordinated Issuer Note Debt", and together with the Non-Issuer Note Debt, the "Senior Subordinated Note Debt").

The Senior Subordinated Notes Intercreditor Agreement will not regulate the ranking of the Senior Subordinated Issuer Note Debt.

Permitted Payments

The Senior Subordinated Notes Intercreditor Agreement will state that prior to the date on which the Senior Facility Security Agent is satisfied that all of the Senior Debt has been irrevocably paid and discharged, all commitments of the Senior Creditors have been cancelled or terminated (the "Senior Discharge Date"), but subject to the relevant provisions of the Senior Subordinated Notes Intercreditor Agreement, the Senior Subordinated Issuer, the Obligors and members of the Group may pay and Senior Subordinated Creditors may receive and retain Permitted Senior Subordinated Note Payments (as defined below).

Any Permitted Senior Subordinated Note Payment made by an Obligor under any Senior Subordinated Note Document will extinguish, to the extent of the amount of the relevant Permitted

Senior Subordinated Note Payment, the obligation of that Obligor to make the equivalent or related payment under the related Proceeds Loan Agreement.

Other than any payment of fees, costs and expenses of the senior subordinated note trustee and senior subordinated note security trustee for the Senior Subordinated Notes for its ongoing day-to-day administration of the Senior Subordinated Notes (the "Senior Subordinated Representatives Ordinary Course Amounts"), no payment of, or in respect of, the Senior Subordinated Note Debt that is otherwise permitted may be made by the Parent or any member of the Group except with the prior consent in writing of the Senior Agent if:

(i) a Senior Non-Payment Event (as defined in the Senior Subordinated Notes Intercreditor Agreement) has occurred and is continuing; or

(ii) an event of default under the Senior Facilities (other than a Senior Non-Payment Event Default (a "Senior Default") has occurred and is continuing and the Company and the senior subordinated notes trustee (on behalf of the holders of the Senior Subordinated Notes) have received a written notice (a "Payment Blockage Notice") from the Senior Facility Security Agent (acting on the instructions of more than 66⅔% of the Senior Creditors by commitments (or in the case of the hedge counterparties, the hedging exposure) (the "Majority Senior Creditors")) specifying such Senior Default and suspending payments of, or in respect of, the Senior Subordinated Note Debt by the Parent and any member of the Group or a specified category of those payments, from the date of such Payment Blockage Notice until the earliest of:

(a) the date on which the Senior Default concerned is no longer continuing and, if the Senior Debt has been accelerated, such acceleration has been rescinded;

(b) the date on which the Senior Agent, acting on the instructions of the Majority Senior Creditors, by notice in writing to the Company and the senior subordinated note trustee cancels the relevant Payment Blockage Notice;

(c) the Senior Discharge Date;

(d) the date falling 179 days after receipt by the senior subordinated note trustee of such Payment Blockage Notice;

(e) if a Standstill Period (as defined under "—Entitlement to Enforce") is in effect at the time of the service of such Payment Blockage Notice, the date on which that Standstill Period expires; and

(f) the date on which the Senior Subordinated Creditors take any Enforcement Action (as defined herein) which they are permitted to take under the Senior Subordinated Notes Intercreditor Agreement.

"Permitted Senior Subordinated Note Payment" means a payment:

(i) of scheduled interest (excluding default interest or liquidated damages to the extent that they accrue at a rate of more than 1% per annum) arising on (a) the Senior Subordinated Notes, the payment of which is provided for in the Senior Subordinated Notes or the related indenture and which payment is made no earlier than five days before the date on which the relevant scheduled interest payment by the Senior Subordinated Issuer falls due under the terms of the Senior Subordinated Notes or the related indenture, and (b) a Subordinated Proceeds Loan or Assigned Subsidiary Proceeds Loan (each term as defined in the Senior Subordinated Notes Intercreditor), the payment of which is provided for in the relevant Proceeds Loan Agreement and which payment (if in cash) does not exceed the scheduled interest under the Senior Subordinated Note, and is made no earlier than five days before the

date on which the related scheduled interest payment by the Issuer falls due under the terms of the Senior Subordinated Notes or the indenture;

(ii) of additional amounts payable under applicable gross-up provisions of the Senior Subordinated Notes or the relevant indenture or relevant Proceeds Loan Agreement, *provided* such provisions are in customary form;

(iii) of the principal amount of or in respect of the Senior Subordinated Notes and the Subordinated Proceeds Loans and the Assigned Subsidiary Proceeds Loan, upon or after their originally scheduled maturity as set forth in the Senior Subordinated Notes, the relevant indenture or (as applicable) the related Proceeds Loan Agreement;

(iv) of fees, costs (including any original issue discounts and any underwriting commissions and discounts), expenses and taxes incurred in respect of the issuance and offering of the Senior Subordinated Notes or in the ordinary course day-to-day administration of the Senior Subordinated Notes as provided for in the Senior Subordinated Note Documents;

(v) by the Senior Subordinated Issuer funded entirely from the proceeds of the issuance of Permitted Junior A Securities (as defined in the Senior Subordinated Notes Intercreditor Agreement) or, provided that the relevant provisions of the Senior Subordinated Notes Intercreditor Agreement are complied with, Permitted Junior B Securities (as defined in the Senior Subordinated Notes Intercreditor Agreement);

(vi) constituting a payment by the Senior Subordinated Issuer under the Senior Subordinated Notes and related indenture made from any defeasance trust that was not funded (directly or indirectly) by a member of the Group;

(vii) of any other amount not exceeding €100,000 in aggregate in any twelve-month period;

(viii) of the fees, costs and expenses of the senior subordinated note trustee and senior subordinated note security trustee pursuant to the documents relating to the Senior Subordinated Notes including all out-of-pocket costs and expenses (the "Senior Subordinated Note Representative Amounts") and Senior Subordinated Representatives Ordinary Course Amounts; and

(ix) of any other amounts consented to by the Senior Agent.

Payment Blockage

The Senior Subordinated Notes Intercreditor Agreement provides that unless otherwise agreed by the senior subordinated note trustee:

(i) not more than one Payment Blockage Notice may be served in any period of 360 consecutive days;

(ii) not more than one Payment Blockage Notice may be served in respect of the same event or set of circumstances; and

(iii) a Payment Blockage Notice may not be served by the Senior Agent in reliance on a particular Senior Default (other than any Senior Non-Payment Event) more than 45 days after the date the Senior Agent has received a written notice from the Company of the occurrence of such Senior Default (other than a Senor Non-Payment Event) and confirming that it is a Senior Default.

Entitlement to Enforce

Prior to the Senior Discharge Date, no Senior Subordinated Note Creditor may, without the prior written consent of the Majority Senior Creditors, take Enforcement Action with respect to any Subordinated Proceeds Loan Assignment, any Subsidiary Proceeds Loan Assignment or any Senior Subordinated Notes Documents (each as defined in the Senior Subordinated Notes Intercreditor Agreement) against the Parent or any member of the Group.

The restrictions above will not apply to the Senior Subordinated Creditors if:

(i) an insolvency event (other than as a result solely of any action taken by any Senior Subordinated Creditor) has occurred with respect to an Obligor, in which case Enforcement Action may be taken against the Obligor subject to that insolvency event only but excludes giving directions in respect of Enforcement Action for any Shared Security (as defined below);

(ii) the Senior Creditors take Enforcement Action (including the enforcement of any security interest created, evidenced or conferred by or pursuant to any senior finance documents (the "Transaction Security"), *provided* that if the Senior Creditors only demand payment under the senior finance documents or put amounts payable by the Parent or a member of the Group thereunder on demand then the Senior Subordinated Creditors may only demand payment of the Senior Subordinated Note Debt or put amounts payable thereunder on demand in respect of the same member of the Group;

(iii) an event of default under the Senior Subordinated Notes (a "Senior Subordinated Note Default") has occurred resulting from a failure to pay principal at maturity;

(iv) a Senior Subordinated Note Default has occurred (otherwise than solely by reason of the occurrence of a Senior Default or an event of default under any hedging documents which, in either case, is not a payment default) and:

  (a) the Senior Agent has received written notice of that Senior Subordinated Note Default from the senior subordinated note trustee;

  (b) a period of not less than 179 days has passed from the date of receipt by the Senior Agent of the written notice referred to in (a) above (a "Standstill Period"); and

  (c) at the end of the relevant Standstill Period, the relevant Senior Subordinated Note Default is continuing; or

(v) the proposed Enforcement Action has been consented to by the Majority Senior Creditors.

The Senior Subordinated Creditors will have the right to take Enforcement Action in relation to a Senior Subordinated Note Default notwithstanding that at the time referred to in paragraph (iv) above, or at any time thereafter, another Standstill Period has commenced as a result of a further Senior Subordinated Note Default.

If Senior Creditors instruct the Senior Facility Security Agent to take Enforcement Action in respect of the security over the assets that are the subject of both the Transaction Security and the security created in favor of the holders of the Senior Subordinated Notes and the security created in favor of the Finance Parties (as defined under "—Intercreditor Agreement") under the Senior Facility Agreement, in each case creating security over the same assets (the "Shared Security"), at least five business days' notice must be given to the senior subordinated note security trustee and the senior subordinated security trustee shall give the Senior Agent at least five business days' notice prior to any Enforcement Action.

"Enforcement Action" means, in relation to any Senior Debt or Senior Subordinated Note Debt, as relevant, any action to:

(a) (i) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of or place on demand all or any part of such debt (and for the avoidance of doubt, any prepayment or close-out obligations arising under the unlawfulness or mandatory prepayment provisions of the Finance Documents (as defined in the Senior Facility Agreement) or any notice delivered pursuant thereto shall be deemed not to have arisen pursuant to a demand, declaration, acceleration or placement on demand of any debt for these purposes);

(ii) recover all or any part of that debt (including by attachment or set-off);

(iii) exercise or enforce any right against surety in relation to all or any part of the debt (including under the relevant security);

(iv) commence (or take any other steps in relation to the commencement of) proceedings constituting an insolvency event in relation to any member of the Group;

(v) commence any legal proceedings against the Parent of any member of the Group to recover any monies,

provided that the following shall not constitute Enforcement Action (unless it results in an insolvency event):

(a) the taking of any action (not falling within any of paragraphs (i) to (iv) (inclusive) above) necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority;

(b) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal or release of guarantees, security or other claims is to take place pursuant to powers granted to such persons under any security document or the Senior Subordinated Notes Intercreditor Agreement with no claim for damages;

(c) the bringing of proceedings solely for injunctive relief to restrain any actual or putative breach of the senior finance documents or for specific performance not claiming damages;

(d) legal proceedings or allegations against any person in connection with violations of securities laws or securities or listing regulations or fraud;

(e) the taking of action necessary to create, register or perfect security or collecting accounts receivables that are subject to Shared Security or taking action to prove, preserve or protect, but not enforce Shared Security; or

(f) allegations of material misstatements or omissions made in connection with offering materials relating to the Senior Subordinated Notes or reports to Senior Subordinated Creditors or any exchange on which the Senior Subordinated Notes are listed.

Release of the Guarantees

If a disposal to a person(s) outside the Group of any shares in a member of the Group is (i) permitted by the Senior Facility Agreement or the relevant Senior Subordinated Notes indenture or (ii) is being effected at the request of the Majority Senior Creditors in circumstances where the Senior Creditors are entitled to take Enforcement Action or (iii) is being effected pursuant to Enforcement Action taken by the Senior Creditors (in accordance with the Senior Subordinated Notes Intercreditor Agreement), the Security Agent (or, if relevant, the senior subordinated note security trustee), is

irrevocably authorized to execute on behalf of the Senior Subordinated Creditors and each Obligor (at the cost of the relevant Obligor) a release of that member of the Group and its subsidiaries from all present and future obligations and liabilities (including, without limitation, any subordinated guarantee and security under the Senior Subordinated Notes) under the documents relating to the Senior Subordinated Notes; *provided* that (A) if such disposal is in circumstances described in (i) above, the proceeds of the disposal are applied in accordance with the relevant terms of the Senior Facility Agreement and/or the relevant Senior Subordinated Notes indenture; and (B) if such disposal is circumstances described in (ii) and (iii) above, the proceeds are applied in accordance with the relevant provisions in the Senior Subordinated Notes Intercreditor Agreement.

Any release of obligations and liabilities as described above in circumstances described in (ii) and (iii) above, is subject to certain requirements. These are: (i) obtaining the requisite voting threshold from holders of the Senior Subordinated Notes or (A) the relevant shares must be disposed of for cash (or substantially all cash or cash equivalents), (B) notice must be given to the senior subordinated note security trustee that the obligations and liabilities the relevant member of the Group subject of the disposal and its subsidiary under the Senior Debt are released (or the relevant Senior Debt is sold by the Senior Creditors to the purchaser) and not assumed by the purchaser, (C) proceeds of the relevant disposal are to be applied in accordance with the Intercreditor Agreement and the Senior Subordinated Notes Intercreditor Agreement and (D) the disposal must be by way of public auction or for fair market value (as such terms are described in the Senior Subordinated Notes Intercreditor Agreement).

Full details of the restrictions to releasing the claims of Senior Subordinated Creditors are set forth under clause 10.4(b) of the Senior Subordinated Notes Intercreditor Agreement.

Existing Notes and the Additional C1 Facility Loan

General

On February 14, 2012, the Issuer issued €360.2 million principal amount of 12⅜% senior secured notes (the "Existing Notes") at an original issue discount of 2.819%, resulting in net cash proceeds of €334.6 million. The Issuer used the proceeds from the Existing Notes to acquire a direct participation in, and subsequently to acquire, the Additional C1 Facility Loan made by J.P. Morgan Ltd., as lending bank, to Ypso France. Ypso France used the proceeds of the Additional C1 Facility Loan to repay €350.0 million of debt outstanding under Facility A, Facility B and Facility C and certain of our capital investment facilities under the Senior Facility Agreement. The Issuer is dependent upon payments from Ypso France under the Additional C1 Facility Loan to make payments under the Existing Notes. The Existing Notes have been issued pursuant to an indenture dated February 14, 2012 (the "Existing Indenture"), between, among others, the Issuer, Citibank, N.A., London Branch, as trustee, Citibank, N.A., London Branch, as security agent, principal paying agent and transfer agent and Citigroup Global Markets Deutschland AG, as registrar (as amended and supplemented from time to time).

Pursuant to the Additional C Facility, the call provisions, maturity and applicable interest rate for the Additional C1 Facility Loan are the same as those of the Existing Notes. Its voting rights under the Senior Faciliity Agreement are, however, severely limited, pursuant to the Additional C1 Facility Voting Undertaking. A form of the Additional C1 Facility Voting Undertaking is attached hereto as Annex C. Through the covenants in the indenture governing the Existing Notes and the security interests over (i) all of the ordinary shares of the Issuer held by the Limited Partner, (ii) the shares of the General Partner, (iii) all bank accounts of the Issuer and (iv) the Issuer's receivables under the Additional C1 Facility Loan (including the benefit of the security interests and guarantees under the Senior Facility Agreement securing the same), the holders of the Existing Notes are provided indirectly with the benefits, rights, protections and covenants, granted to the Issuer as a lender under the Senior Facility Agreement.

Covenant Agreement

On February 14, 2012, Ypso France and each of the other obligors under the Senior Facility Agreement (collectively, the "Obligors") entered into a covenant agreement (the "Existing Covenant Agreement") whereby they agreed to comply with the covenants under the Existing Indenture that are applicable to them (other than payment obligations). The rights and remedies of the holders of the Existing Notes against the Obligors upon any breach by an Obligor of its obligations under the Existing Covenant Agreement are limited to a right, following acceleration of the Existing Notes, to instruct the Issuer or the applicable security agent to accelerate the Additional C1 Facility Loan and to vote, subject to the terms of the Additional C1 Facility Voting Undertaking, in connection with any enforcement of the collateral securing the Senior Facility Agreement. The holders of the Existing Notes do not benefit, directly or indirectly, from many of the rights and protections granted to lenders under the Senior Facility Agreement, including the covenants contained in the Senior Facility Agreement, other than the indirect benefit of the payment obligations of the Obligors in respect of the Additional C1 Facility Loan, the indirect benefit of the security granted for the benefit of the lenders (including the Issuer) under the Senior Facility Agreement and certain other limited indirect benefits and rights. Neither Ypso Holding nor any of its subsidiaries guarantee the Existing Notes or provide any credit support to the Issuer with respect to its obligations under the Existing Notes.

Maturity and Interest

The Exisiting Notes mature on February 15, 2019 and bear interest at a rate equal to 12⅜% per annum. Interest is payable in cash on February 15 and August 15 of each year.

Redemption

On or after February 15, 2016, the Issuer may redeem (upon instruction from Ypso France) all or a part of the Existing Notes at the redemption prices set out below, if redeemed during the twelve-month period beginning on February 15 of the years indicated below:

Year	Redemption Price
2016	106.188%
2017	103.094%
2018 and thereafter	100.000%

At any time prior to February 15, 2015, the Issuer may (upon instruction from Ypso France) redeem up to 35% of the aggregate principal amount of the Existing Notes with the net cash proceeds of certain equity offerings or capital contributions at a redemption price equal to 112.375% of the principal amount of the Existing Notes redeemed, in each case, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, if at least 65% of the aggregate principal amount of the Existing Notes remains outstanding.

The Issuer may also redeem the Existing Notes, in whole or in part, at any time prior to February 15, 2016, at a redemption price equal to 100% of the principal amount thereof, plus the applicable "make-whole" premium and accrued and unpaid interest, if any, to the redemption date.

The Issuer may redeem the Existing Notes in whole, but not in part, at any time upon giving proper notice if changes in tax laws impose certain withholding taxes or other deductions on amounts payable on the Existing Notes or the guarantees thereof, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the redemption date.

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Existing Notes.

Change of Control

The Existing Indenture provides that if the Issuer experiences a change of control, the Issuer must offer to repurchase the Existing Notes at a price equal to 101% of the aggregate principal amount of the Existing Notes, plus accrued and unpaid interest. In addition, if the Issuer or any of its restricted subsidiaries sells certain assets, the Issuer must offer to repurchase the Existing Notes at a price equal to 100% of the aggregate principal amount of the Existing Notes, plus accrued and unpaid interest in the event such asset sales result in proceeds in excess of specified minimums that have not been applied to other uses.

Events of Default

The Existing Indenture contains customary events of default, including, without limitation, payment defaults, covenant defaults, certain cross-defaults to mortgages, indentures or other instruments, certain events of bankruptcy and insolvency, and judgment defaults.

Covenants

The Existing Indenture contains covenants for the benefit of the holders of the Existing Notes that, among other things, limit the ability of the Issuer and any of its restricted subsidiaries to:

- incur additional indebtedness;
- pay dividends or make other distributions;
- make other restricted payments and investments;
- create liens;
- layer debt;
- incur restrictions on the ability of their subsidiaries to pay dividends or other payments to them;
- sell assets;
- merge or consolidate with other entities;
- enter into transactions with affiliates; and
- grant additional security.

These limitations are, however, subject to a number of important qualifications and exceptions.

Finance Leases

In October 2008, Numericable S.A.S. entered into a sale-and-leaseback transaction with respect to set-top boxes and broadband routers with Lease Expansion (currently known as Natixis Lease) for an amount of €20.0 million, and with a 47-month term.

In 2001, NC Numericable S.A.S. entered into a finance lease with a 15-year term with respect to our headquarters located in Champs-sur-Marne. We have an option under the lease agreement to purchase the property at the end of the lease.

In addition, several members of our Group entered into various finance leases with respect to real property (for terms generally between 20 and 30 years) and office equipment (typically for terms of four years).

As of December 31, 2011, our liability under our finance leases amounted to €15.6 million. The average effective interest rate on our finance leases was approximately 7.83% for the year ended December 31, 2011, compared to 4.08% for the year ended December 31, 2010.

Shareholder Financing

2005 Shareholder Financing

Ypso Holding issued:

- on November 14, 2005, 3,061,280 subordinated preferred equity certificates ("PECs 2005") having a par value of €25 each. The PECs 2005 are held by Cinven, Carlyle and Altice in proportion to their shareholding in our Group. The PECs 2005 will mature in 2054 and, with respect to payment rights, redemption and rights of liquidation, winding-up and dissolution, rank prior to all shares and all other capital stock of Ypso Holding (with the exception of any preferred equity certificates issued or to be issued by Ypso Holding) whether outstanding on the date of issuance or issued in the future but are subordinated to all other present and future obligations of Ypso Holding, whether secured or unsecured. The PECs 2005 have not borne interest since January 1, 2008. As long as any PECs 2005 are outstanding Ypso Holding will not issue any shares of capital stock having, upon or following any liquidation, any right to payment in full of the par value to the holder of each PEC 2005. The PECs 2005 have the same ranking as all other preferred equity certificates. Ypso Holding may create and issue without the consent of the holders preferred equity certificates that shall have the same ranking as all other preferred equity certificates. The PECs 2005 shall be redeemed at maturity but may also be redeemed at the option of Ypso Holding (no redemption at the option of the holders except upon an event of default) or upon liquidation of the issue. The PECs 2005 are convertible into shares of Ypso Holding. PECs 2005 may be transferred to shareholders or non-shareholders only simultaneously with and to the same person as shares held by the same transferor. On June 15, 2006, 2,779,669 PECs 2005 were redeemed by Ypso Holding.
- on November 14, 2005, 2,783,081 subordinated convertible preferred equity certificates ("CPECs 2005") having a par value of €25 each. The CPECs 2005 are held by Cinven, Carlyle and Altice in proportion to their shareholding in our Group. The CPECs 2005 will mature in 2054 and with respect to payment rights, redemption and rights of liquidation, winding-up and dissolution, rank prior to all shares and all other capital stock of Ypso Holding (with the exception of any preferred equity certificates issued or to be issued by Ypso Holding) whether outstanding on the date of issuance or issued in the future but are subordinated to all other present and future obligations of Ypso Holding, whether secured or unsecured. The CPECs 2005 have not borne interest since January 1, 2008. As long as any PECs 2005 are outstanding Ypso Holding will not issue any shares of capital stock having, upon or following any liquidation, any right to payment in full at the par value to the holder of each CPEC 2005. The CPECs 2005 have the same ranking as all other convertible preferred equity certificates. Ypso Holding may create and issue without the consent of the holders preferred equity certificates that shall have the same ranking as all others preferred equity certificates. The CPECs 2005 shall be redeemed at maturity but may also be redeemed at the option of Ypso Holding (no redemption at the option of the holders except upon an event of default) or upon liquidation of the issue. The CPECs 2005 are convertible into shares of Ypso Holding. CPECs 2005 may be transferred to shareholders or non-shareholders only simultaneously with and to the same person as shares held by the same transferor. On June 6, 2006, 195,284 CPECs 2005 were converted into shares of Ypso Holding.
- on November 14, 2005, 451,127 subordinated interest-free preferred equity certificates ("IFPECs 2005") having a par value of €25 each. The IFPECs 2005 are held by Cinven, Carlyle and Altice in proportion to their shareholding in our Group. The IFPECs 2005 will mature in 2054 and

with respect to payment rights, redemption and rights of liquidation, winding-up and dissolution, rank prior to all shares and all other capital stock of Ypso Holding (with the exception of any preferred equity certificates issued or to be issued by Ypso Holding) whether outstanding on the date of issuance or issued in the future but are subordinated to all other present and future obligations of Ypso Holding, whether secured or unsecured. The IFPECs 2005 do not bear interest. As long as any IFPECs 2005 are outstanding Ypso Holding will not issue any shares of capital stock having, upon or following any liquidation, any right to payment in full at the par value to the holder of each IFPEC 2005. The IFPECs 2005 have the same ranking as all other interest-free preferred equity certificates. Ypso Holding may create and issue without the consent of the holders preferred equity certificates that shall have the same ranking as all others preferred equity certificates. The IFPECs 2005 shall be redeemed at maturity but may also be redeemed at the option of Ypso Holding (no redemption at the option of the holders except upon an event of default) or upon liquidation of the issue. The IFPECs 2005 are convertible into shares of Ypso Holding. IFPECs 2005 may be transferred to shareholders or non-shareholders only simultaneously with and to the same person as shares held by the same transferor.

2006 Shareholder Financing

Ypso Holding issued:

- on June 6, 2006, 1,594,243 subordinated preferred equity certificates ("PECs 2006") having a par value of €25 each. The PECs 2006 are held by Cinven, Carlyle and Altice in proportion to their shareholding in our Group. The PECs 2006 will mature in 2055 and, with respect to payment rights, redemption and rights of liquidation, winding-up and dissolution, rank prior to all shares and all other capital stock of Ypso Holding (with the exception of any preferred equity certificates issued or to be issued by Ypso Holding) whether outstanding on the date of issuance or issued in the future but are subordinated to all other present and future obligations of Ypso Holding, whether secured or unsecured. The PECs 2006 have not borne interest since January 1, 2008. As long as any PECs 2006 are outstanding Ypso Holding will not issue any shares of capital stock having, upon or following any liquidation, any right to payment in full at the par value to the holder of each PEC 2006. Ypso Holding may issue preferred equity certificates that may rank *pari passu* to the PECs 2006. The PECs 2006 shall be redeemed at maturity but may also be redeemed at the option of Ypso Holding (no redemption at the option of the holders) or upon liquidation of the issue. The PECs 2006 are convertible into shares of Ypso Holding. Constitutes an event of default the fact for Ypso Holding to fail to redeem PECs 2006. PECs 2006 may be transferred to shareholders or non-shareholders only simultaneously with and to the same person as shares held by the same transferor.
- on June 6, 2006, 14,650,072 subordinated convertible preferred equity certificates ("CPECs 2006") having a par value of €45.74 each. The CPECs 2006 are held by Cinven, Carlyle and Altice in proportion to their shareholding in our Group. The CPECs 2006 will mature in 2055 and, with respect to payment rights, redemption and rights of liquidation, winding-up and dissolution, rank prior to all shares and all other capital stock of Ypso Holding (with the exception of any preferred equity certificates issued or to be issued by Ypso Holding) whether outstanding on the date of issuance or issued in the future but are subordinated to all other present and future obligations of Ypso Holding, whether secured or unsecured. The CPECs 2006 have not borne interest since January 1, 2008. As long as any CPECs 2006 are outstanding Ypso Holding will not issue any shares of capital stock having, upon or following any liquidation, any right to payment in full at the par value to the holder of each CPEC 2006. Ypso Holding may issue preferred equity certificates that may rank *pari passu* to the CPECs 2006. The CPECs 2006 shall be redeemed at maturity but may also be redeemed at the option of Ypso Holding (no

redemption at the option of the holders) or upon liquidation of the issue. The CPECs 2006 are convertible into shares of Ypso Holding. Constitutes an event of default the fact for Ypso Holding to fail to redeem CPECs 2006. CPECs 2006 may be transferred to shareholders or non-shareholders only simultaneously with and to the same person as shares held by the same transferor.

- on June 6, 2006, 2,553,897 subordinated yield-free preferred equity certificates ("YFPECs 2006") having a par value of €25 each. The YFPECs 2006 are held by Cinven, Carlyle and Altice in proportion to their shareholding in our Group. The YFPECs 2006 will mature in 2055 and, with respect to payment rights, redemption and rights of liquidation, winding-up and dissolution, rank prior to all shares and all other capital stock of Ypso Holding (with the exception of any preferred equity certificates issued or to be issued by Ypso Holding) whether outstanding on the date of issuance or issued in the future but are subordinated to all other present and future obligations of Ypso Holding, whether secured or unsecured. The YFPECs 2006 do not bear interest. As long as any YFPECs 2006 are outstanding Ypso Holding will not issue any shares of capital stock having, upon or following any liquidation, any right to payment in full at the par value to the holder of each YFPEC 2006. Ypso Holding may issue preferred equity certificates that may rank *pari passu* to the YFPECs 2006. The YFPECs 2006 shall be redeemed at maturity but may also be redeemed at the option of Ypso Holding (no redemption at the option of the holders) or upon liquidation of the issue. The YFPECs 2006 are convertible into shares of Ypso Holding. Constitutes an event of default the fact for Ypso Holding to fail to redeem YFPECs 2006. YFPECs 2006 may be transferred to shareholders or non-shareholders only simultaneously with and to the same person as shares held by the same transferor.

2008 Shareholder Financing

Ypso Holding issued:

- on March 12, 2008, 1,503,614 subordinated interest-free preferred equity certificates ("IFPECs 2008") having a par value of €25 each. The IFPECs 2008 are held by Cinven, Carlyle and Altice in proportion to their shareholding in our Group. The IFPECs 2008 will mature in 2057 and, with respect to payment rights, redemption and rights of liquidation, winding-up and dissolution, rank prior to all shares and all other capital stock of Ypso Holding (with the exception of any preferred equity certificates issued or to be issued by Ypso Holding) whether outstanding on the date of issuance or issued in the future but are subordinated to all other present and future obligations of Ypso Holding, whether secured or unsecured. The IFPECs 2008 do not bear interest. As long as any IFPECs 2008 are outstanding Ypso Holding will not issue any shares of capital stock having, upon or following any liquidation, any right to payment in full at the par value to the holder of each YFPEC 2008. Ypso Holding may issue preferred equity certificates that may rank *pari passu* to the IFPECs 2008. The IFPECs 2008 shall be redeemed at maturity but may also be redeemed at the option of Ypso Holding (no redemption at the option of the holders) or upon liquidation of the issue. The IFPECs 2008 are convertible into shares of Ypso Holding. Constitutes an event of default the fact for Ypso Holding to fail to redeem IFPECs 2008. IFPECs 2008 may be transferred to shareholders or non-shareholders only simultaneously with and to the same person as shares held by the same transferor.
- on July 17, 2008, our board of managers decided to issue 2,000,000 additional IFPECs 2008 having a par value of €25 each. The terms and conditions of the IFPECs 2008 have been amended in order to allow the issuance of the additional IFPECs 2008. The IFPECs 2008 are held by Cinven, Carlyle and Altice in proportion to their shareholding in our Group. The IFPECs 2008 will mature in 2057 and, with respect to payment rights, redemption and rights of liquidation, winding-up and dissolution, rank prior to all shares and all other capital stock of Ypso Holding (with the exception of any preferred equity certificates issued or to be issued by

Ypso Holding) whether outstanding on the date of issuance or issued in the future but are subordinated to all other present and future obligations of Ypso Holding, whether secured or unsecured. The IFPECs 2008 do not bear interest. As long as any IFPECs 2008 are outstanding Ypso Holding will not issue any shares of capital stock having, upon or following any liquidation, any right to payment in full at the par value to the holder of each YFPEC 2008. Ypso Holding may issue preferred equity certificates that may rank *pari passu* to the IFPECs 2008. The IFPECs 2008 shall be redeemed at maturity but may also be redeemed at the option of Ypso Holding (no redemption at the option of the holders) or upon liquidation of the issue. The IFPECs 2008 are convertible into shares of Ypso Holding. Constitutes an event of default the fact for Ypso Holding to fail to redeem IFPECs 2008. IFPECs 2008 may be transferred to shareholders or non-shareholders only simultaneously with and to the same person as shares held by the same transferor.

2009 Shareholder Financing

In connection with the restructuring of the Group's debt in 2009, shareholders of the Group acquired certain loans under the Senior Facility Agreement (the "Bought-Back Debt"). The Bought-Back Debt was transferred from our shareholders to Ypso Holding and then to a newly incorporated subsidiary of Ypso France, Coditel Debt SARL. In connection with this debt restructuring:

- Ypso Holding issued on December 9, 2009, 132,664,023 subordinated interest preferred equity certificates ("Super PECs") with a nominal value of one euro each representing a total amount of €132,664,023. The Super PECs were subscribed by Cinven, Carlyle and Altice in proportion of their shareholding in our Group. The Super PECs will mature in 2058 and are subordinated to all other debt claims of Ypso Holding. The yield on the Super PECs is the sum of all net income and capital gains (minus two basis points) derived from the Coditel Debt Notes (as defined below) and from the 2009 Shareholder Loan (as defined below). If the Super PECs cannot be redeemed at maturity, the maturity date will extend until payment or redemption at par can be achieved without breaching the applicable payment or redemption restrictions and conditions.
- Ypso France borrowed from Ypso Holding S.à r.l. €26.3 million (the "2009 Shareholder Loan"). The 2009 Shareholder Loan will mature in 2039, and bears interest at a rate of 7.5% per annum.
- Coditel Debt SARL issued on December 9, 2009, 106,380,000 notes (the "Coditel Debt Notes") in an aggregate principal amount of €106,380,000, with a nominal value of one euro each. All of the Coditel Debt Notes were subscribed for by Ypso Holding. The Coditel Debt Notes will mature in 2016 unless the parties to the Senior Facility Agreement decide to modify the date of repayment of the C Facility of the Senior Facility Agreement, in which case the maturity date will be 30 days after this repayment. The terms and conditions of the Coditel Debt Notes specifically provide that interests derived directly from the Bought-Back Debt will trigger remuneration due to Ypso Holding, equal to the amount of the income received by Coditel Debt SARL, less 10 basis points, computed on the basis of the nominal value of the Bough-Back Debt.

Perpetual Subordinated Notes

In 2006, one of our subsidiaries, NC Numericable S.A.S., issued €23.65 million principal amount of perpetual subordinated notes (*Titres Subordonnés à Durée Illimitée*) ("TSDI") to Vilorex, a subsidiary of GDF Suez. The proceeds of the TSDI have been earmarked for financing the construction of connectors in towns in the south of Paris. The TSDI bear interest at 7% per annum. Interest is capitalized, and accrued interest on the loan amounted to €9.2 million as of December 31, 2011. The TSDI were issued for an indefinite term, and are repayable in case of the liquidation or dissolution of

NC Numericable S.A.S. as well as upon NC Numericable S.A.S. achieving a certain turnover with respect to the customers covered by the connectors. Such triggers have not been reached since the TSDI issue date. NC Numericable S.A.S. may elect to prepay all or part of the TSDI upon ten days' notice.

DESCRIPTION OF THE NOTES

Numericable Finance & Co. S.C.A. (the "*Issuer*") will issue €500.0 million aggregate principal amount of new Senior Secured Notes in this offering, consisting of €225.0 million Senior Secured Fixed Rate Notes due 2019 (the "*Fixed Rate Notes*") and €275.0 million Senior Secured Floating Rate Notes due 2018 (the "*Floating Rate Notes*" and together with the Fixed Rate Notes, the "*Notes*") under an indenture (the "*Indenture*") between, among others, the Issuer, Citibank, N.A., London Branch, as the trustee (the "*Trustee*"), and Citibank, N.A., London Branch, as the security agent (the "*Security Agent*"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "*U.S. Securities Act*").

On February 14, 2012, the Issuer issued €360,200,000 of its Senior Secured Notes due 2019 (the "*Existing Notes*") and used the proceeds thereof to acquire a term loan (the "*Additional C1 Facility Loan*") made under a new Additional C Facility under the Senior Facility Agreement.

Contemporaneously with the execution of the Indenture, Ypso France S.A.S. (the "*Company*") and the other Senior Facility Obligors will enter into the Covenant Agreement with the Issuer and the Trustee whereby the Company and the other Senior Facility Obligors will agree to comply with the terms of the Indenture that are applicable to them (other than payment obligations), as described in this "Description of the Notes". For more information on the Covenant Agreement, see "—Covenant Agreement".

Certain defined terms used in this description but not defined below under "—Certain Definitions" have the meanings assigned to them in the Indenture. You can find the definitions of certain terms used in this description under the subheading "—Certain Definitions". In this description, the term "Issuer" refers only to Numericable Finance & Co. S.C.A. and the term "Company" refers only to Ypso France S.A.S. and not to any of its Subsidiaries.

The Issuer is an independent stand-alone special purpose financing company formed for the purpose of issuing the Notes (including any Additional Notes), the Existing Notes and any other Additional Issuer Debt permitted to be issued under the Indenture. All of the Issuer's issued ordinary shares are held by Stichting 2, a foundation formed under the laws of the Netherlands, and the Issuer's management share is held by the General Partner, a private limited liability company incorporated under the laws of Luxembourg. The Issuer has no material business operations, and, upon completion of this offering of the Notes, the Issuer's only material assets will be (i) its rights and obligations under the Fee Agreement (as defined below), (ii) its rights under the Additional C1 Facility Loan, (iii) its rights under the Senior Facility Agreement, (iv) on and from the Loan Funding Date, its rights under the Sub-Participation Agreement (as defined below) and (v) on and after the Loan Acquisition Date, its rights under the Additional C2 Facility Loan (as defined below). As a result, the Issuer will be wholly dependent on payments by the Senior Facility Obligors pursuant to the Senior Facility Agreement to provide the funds necessary to make the required payments of principal of, and interest, premium or Additional Amounts, if any, in respect of the Notes.

The Issuer has also entered into a fee agreement with the Company regulating the payment of certain fees and expenses of the Issuer (the "*Fee Agreement*"). Any costs (including taxes) incurred by the Issuer in relation to the offering of the Notes will be on-charged to the Company pursuant to the Fee Agreement. The Issuer has filed U.S. Internal Revenue Service Form 8832, electing to be treated as a pass-through entity for U.S. federal tax purposes, and will take any action reasonably necessary to maintain its status as a pass-through entity for U.S. federal tax purposes.

On the Loan Funding Date, J.P. Morgan Securities plc or one of its affiliates (the "*Lending Bank*"), in its capacity as a lender under the Senior Facility Agreement (an "*Additional C2 Facility Lender*"), will make a new loan (the "*Additional C2 Facility Loan*") to the Company in two tranches, one of which will be in an amount equal to the principal amount of the Fixed Rate Notes (the "*C2*

Loan Tranche A") and the other of which will be in an amount equal to the principal amount of the Floating Rate Notes (the "*C2 Loan Tranche B*"). The Additional C2 Facility Loan will be made pursuant to the Additional C Facility of the Senior Facility Agreement. The term Additional C2 Facility Loan shall include any subsequent term loan under one or more tranches of the Additional C Facility of the Senior Facility Agreement that is acquired with the proceeds of any issuance of the Additional Notes.

Subject to the guarantee limitations contained in the Senior Facility Agreement, the obligations of the Company under the Additional C2 Facility Loan will be guaranteed (the "*Senior Facility Guarantees*") by all the guarantors under the Senior Facility Agreement (in such capacity, the "*Senior Facility Guarantors*") and secured by the Senior Facility Collateral. See "—Senior Facility Guarantees", "—Senior Facility Collateral" and "—Additional C2 Facility, the Additional C2 Facility Loan and the Senior Facility Agreement", for a further description of the Senior Facility Guarantees, the Senior Facility Collateral and the Additional C2 Facility Loan. The Senior Facility Guarantees will be subject to the guarantee limitations set out in Clause 24.11 (Guarantee Limitation) of the Senior Facility Agreement.

In connection with this offering of Notes, the Issuer entered into an agreement with the Lending Bank (the "*Sub-Participation Agreement*") dated on or prior to the Issue Date, pursuant to which the Issuer will use the proceeds from the offering of the Notes to fund on the Loan Funding Date a sub-participation in, and subsequently acquire, the Additional C2 Facility Loan made on the Loan Funding Date by the Lending Bank to Ypso France. Under the terms of the Sub-Participation Agreement, the Lending Bank has granted a right to the Issuer to acquire the Additional C2 Facility Loan at any time after the Additional C2 Facility Loan is made, and the Issuer has granted a right to the Lending Bank to transfer the Additional C2 Facility Loan to the Issuer at any time after the Additional C2 Facility Loan is made. The consideration for the transfer of the Additional C2 Facility Loan from the Lending Bank to the Issuer will be an amount equal to the principal amount of the Additional C2 Facility Loan (less certain expenses of the Initial Purchasers), which amount will be set off from the amount of such deposit. The Issuer's rights under the Sub-Participation Agreement (including the Issuer's right to acquire the Additional C2 Facility Loan) will be assigned by way of security to the Security Agent to secure the Issuer's obligations under the Notes. Upon its acquisition of the Additional C2 Facility Loan, the Issuer will become an Additional C2 Facility Lender and will benefit in the capacity as a "Lender" under the Senior Facility Agreement from the Senior Facility Guarantees and the Senior Facility Collateral to the extent they secure the Company's obligations under the Additional C2 Facility Loan.

Unless the context otherwise requires, in this "Description of the Notes", references to the "Notes" include the Fixed Rate Notes, the Floating Rate Notes and any additional Notes having identical terms and conditions as any series of the Notes ("*Additional Notes*") that are issued under the Indenture. The terms of the Notes include those set forth in the Indenture. The Indenture is not subject to, and will not incorporate or include any of the provisions of, the U.S. Trust Indenture Act of 1939, as amended. The Note Security Documents referred to below under the caption "—Note Collateral" defines the terms of the security that will secure the Notes.

The following description is a summary of the material provisions of the Indenture, the Notes, the Note Security Documents and certain other agreements relating to the Notes and the Senior Facility Agreement. This description does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes, the Note Security Documents and those other agreements because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the form of Note, the Note Security Documents, the Collateral Sharing Agreement, any Additional Collateral Sharing Agreement, the Senior Facility Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement, the form of Senior Subordinated Notes Intercreditor Agreement, any Additional Senior Subordinated Notes Intercreditor Agreement, the Covenant Agreement and the

Voting Undertaking are available as set forth below under "—Additional Information". A copy of the Senior Facility Agreement is attached to this Offering Memorandum as Annex A—Senior Facility Agreement (including the form of Senior Subordinated Notes Intercreditor Agreement set forth in Schedule 21 thereto), a copy of the form of Voting Undertaking is attached to this Offering Memorandum as Annex C—Form of C (Additional Senior Financing) Facility Voting Undertaking and a copy of the Intercreditor Agreement is attached to this Offering Memorandum as Annex B—Intercreditor Agreement.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

As of the Issue Date all of the Company's Subsidiaries will be "Restricted Subsidiaries" for purposes of the Indenture. However, under the circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries", the Company will be permitted to designate Restricted Subsidiaries as "Unrestricted Subsidiaries". Most of the restrictive covenants in the Indenture do not apply to Unrestricted Subsidiaries. The Company's Unrestricted Subsidiaries will not guarantee the obligations of the Senior Facility Obligors under the Senior Facility Agreement, including under the Additional C2 Facility Loan.

Principal, Maturity and Interest

The Issuer will issue €225.0 million in aggregate principal amount of Fixed Rate Notes and €275.0 million in aggregate principal amount of Floating Rate Notes in this offering. The Issuer will issue Notes in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Fixed Rate Notes will mature on February 15, 2019 and the Floating Rate Notes will mature on October 15, 2018. Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid.

Each of the Fixed Rate Notes and the Floating Rate Notes constitute a separate series of Notes but will be treated as a single class of securities for purposes of the Indenture, including for purposes of voting and other actions by holders of the Notes, except as otherwise specified in the Indenture. As a result, among other things, holders of each series of Notes will not have separate and independent rights to give notice of a Default or to direct the Trustee to exercise remedies in the event of an Event of Default with respect to the Notes or otherwise. The Issuer may issue an unlimited principal amount of Additional Notes under the Indenture from time to time after this offering. Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock". The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, except as otherwise provided in the Indenture.

Interest on the Fixed Rate Notes will accrue at the rate of 8¾% per annum. Interest on the Fixed Rate Notes will be payable semi-annually in arrears on February 15 and August 15 commencing on February 15, 2013. The Issuer will pay interest to those persons who were holders of record of the Notes on the February 1 and August 1 immediately preceding the applicable interest payment date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the Floating Rate Notes will accrue at a rate per annum (the "*Applicable Rate*") reset quarterly, equal to EURIBOR *plus* 7.875%, as determined by the calculation agent (the "*Calculation Agent*"), which shall initially be Citibank, N.A., London Branch.

Interest on the Floating Rate Notes will:

- accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid;

- be payable in cash quarterly in arrears on January 15, April 15, July 15 and October 15 in each year, commencing on January 15, 2013;
- be payable to the holder of record of such Floating Rate Notes on the January 1, April 1, July 1 and October 1 immediately preceding the related interest payment date; and
- be computed on the basis of the actual amount of days in the Interest Period concerned divided by 360.

Set forth below is a summary of certain of the provisions from the Indenture relating to the calculation of interest on the Floating Rate Notes.

"*Determination Date*", with respect to any Interest Period, will be the day that is two TARGET Settlement Days preceding the first day of such Interest Period.

"*EURIBOR*", with respect to an Interest Period, will be the rate (expressed as a percentage per annum) for deposits in euros for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date that appears on Reuters Page 248 as of 11:00 a.m., Brussels time, on the Determination Date, *provided*, *however*, that EURIBOR shall never be less than 0%. If Reuters Page 248 does not include such a rate or is unavailable on a Determination Date, the Calculation Agent will request the principal London office of each of four major banks in the euro-zone inter-bank market, as selected by the Calculation Agent, to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the euro-zone interbank market for deposits in a Representative Amount in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Calculation Agent will request each of three major banks in London, as selected by the Calculation Agent, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such Determination Date, for loans in a Representative Amount in euros to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided, then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period.

"*euro-zone*" means the region comprised of member states of the European Union that at the relevant time have adopted and retained the euro as their national currency.

"*Interest Period*" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period will commence on and include the Issue Date and end on and include January 15, 2013.

"*Representative Amount*" means the greater of (a) €1,000,000 and (b) an amount that is representative for a single transaction in the relevant market at the relevant time.

"*Reuters Page 248*" means the display page so designated by Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

"*Reuters Page 3740*" means the display page so designated by Reuters (or any other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

"*TARGET Settlement Day*" means any day on which the Trans-European Automated Real-Time Gross settlement Express Transfer (TARGET) system is open.

The Calculation Agent shall, as soon as practicable after 11:00 am (Brussels time) on each Determination Date, determine the Applicable Rate and calculate the aggregate amount of interest payable in respect of the following Interest Period (the "*Interest Amount*"). The Interest Amount shall be calculated by applying the Applicable Rate to the principal amount of each Floating Rate Note outstanding at the commencement of the Interest Period, multiplying each such amount by the actual amounts of days in the Interest Period concerned divided by 360 and rounding the resultant figure upwards to the nearest available currency unit. The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, bad faith or manifest error, be final and binding on all parties. In no event will the rate of interest on the Floating Rate Notes be higher than the maximum rate permitted by applicable law, including the maximum rate permitted by New York law as the same may be modified by U.S. law of general application.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g. 4.876545% being rounded to 4.87655% (or .0487655)). All euro amounts used in or resulting from such calculations will be rounded to the nearest euro cent (with one-half euro cent being rounded upwards).

The Calculation Agent will, upon the request of the holder of any Note, provide the interest rate then in effect with respect to the Floating Rate Notes.

Brief Description of the Notes and the Note Collateral

Ranking of the Notes

The Notes:

- will be general obligations of the Issuer;
- will be *pari passu* in right of payment with all existing and future Indebtedness of the Issuer, including the Existing Notes;
- will be secured directly by the Note Collateral, including a first-priority assignment of the Issuer's rights under the Additional C2 Facility Loan;
- will benefit indirectly from the Senior Facility Collateral and the Senior Facility Guarantees; and
- will be effectively subordinated to any existing and future Indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness.

The Notes will not benefit from a direct guarantee from the Company or any of its Subsidiaries. However, as a result of the Loan Assignment, the Notes will indirectly benefit from the Additional C2 Facility Loan, the Senior Facility Guarantees and the Senior Facility Collateral. See "Intercreditor Agreement" below.

Note Collateral

The Notes will be secured by:

(1) a first-ranking pledge over all the ordinary shares of the Issuer held by Stichting 2 (the "*Issuer Share Pledge*");

(2) a first-ranking pledge over all the Capital Stock of the General Partner, which is held by Stichting 1 (the "*General Partner Share Pledge*");

(3) a first-ranking charge over all bank accounts of the Issuer (the "*Issuer Bank Account Charge*" and together with the Issuer Share Pledge and the General Partner Share Pledge, the "*Shared Note Collateral*"); and

(4) a first-ranking assignment of the Issuer's rights under the Additional C2 Facility Loan (including the Issuer's rights in respect of the Senior Facility Guarantees and the Senior Facility Collateral in respect of the Additional C2 Facility Loan) (the "*Loan Assignment*").

The Notes will not benefit from any Lien over the Additional C1 Facility Loan. In addition, the Shared Note Collateral also secures the Existing Notes and has been granted on a *pari passu* basis with all future Additional Issuer Debt of the Issuer issued after the Issue Date.

The Issuer, Stichting 1, Stichting 2 and the Security Agent have entered into or, on or prior to the Issue Date will enter into, the Note Security Documents, which define the terms of security interests that secure the Notes. The Note Security Documents will secure the payment and performance when due of all of the obligations of the Issuer under the Indenture and the Notes as provided in the Note Security Documents.

The Collateral Sharing Agreement provides that the security interests in the Shared Note Collateral may be enforced upon an Event of Default that is continuing whether or not the Notes have been accelerated. Neither the Trustee nor the holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Note Security Documents. The holders of the Notes may only take action through the Security Agent.

The Liens on the Note Collateral will be released:

(1) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes; or

(2) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Notes as provided below under the captions "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge".

Collateral Sharing Agreement

The Notes, the Existing Notes and all future Additional Issuer Debt of the Issuer will benefit from the Shared Noted Collateral on a *pari passu* basis. Pursuant to the Collateral Sharing Agreement, the Security Agent and the Trustee have agreed that all proceeds from the enforcement of the Shared Note Collateral will be shared on a *pari passu* basis by the holders of the Notes, the Existing Notes and all future Additional Issuer Debt of the Issuer. The holders of a majority in aggregate principal amount of all Notes, the Existing Notes and Additional Issuer Debt then outstanding will control any enforcement actions in respect of the Shared Note Collateral.

Limited Recourse Obligations

The obligations of the Issuer under the Indenture, the Notes and the Note Security Documents to which it is a party will be limited as set forth in the Indenture. All payments to be made by the Issuer under the Indenture (including any Additional Amounts), the Notes and the Note Security Documents to which it is a party will be made only from and to the extent of such sums received or recovered by or on behalf of the Issuer, the Trustee or the Security Agent from the Note Collateral, including the Issuer's rights under the Additional C2 Facility Loan and the Senior Facility Agreement, and the Issuer's other assets, if any, and none of the Trustee, the Security Agent, the Principal Paying Agent or the holders of Notes will have any further recourse to the Issuer in respect thereof in the event that the amount due and payable by the Issuer under the Indenture, the Notes and the Note Security Documents exceeds the amounts so received or recovered under the Note Collateral or the Issuer's

other assets. See "Risk Factors—Risks Relating to the Notes and the Additional C2 Facility Loan—Holders of the Notes have limited recourse to the Issuer, because payments under the Notes are limited to the amount of certain payments received by the Issuer under the Additional C1 Facility Loan and the related agreements".

In addition, holders of the Notes will not have a direct claim on the cash flow or assets of the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries will have any obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments, other than the obligations of the Senior Facility Obligors under the Senior Facility Agreement to make payments to the Issuer as the Additional C2 Facility Lender under the Senior Facility Agreement, the Additional C2 Facility Loan and the Senior Facility Agreement Guarantees.

Although the holders of Notes will indirectly benefit from the Covenant Agreement, neither the Trustee nor the holders of Notes will be entitled to exercise any rights or remedies under the Covenant Agreement against any Senior Facility Obligor, other than the rights to instruct the Issuer to accelerate the Additional C2 Facility Loan (provided that the Notes have been accelerated) in accordance with the terms of the Senior Facility Agreement (subject to the mandatory provisions of articles L.620-1 to L.644.6 of the French Code de Commerce) and to instruct the Issuer to vote in connection with the enforcement of any Senior Facility Collateral in accordance with the Voting Undertaking, as described under "—Additional C2 Facility, the Additional C2 Facility Loan and the Senior Facility Agreement—Voting Rights under the Senior Facility Agreement".

Nothing in this section will limit the ability of the holders of the Notes or the Trustee to accelerate the Notes in accordance with "—Events of Default and Remedies—Remedies under the Indenture".

Brief Description of the Additional C2 Facility Loan

The Additional C2 Facility Loan:

- will be a general obligation of the Company;
- will be directly guaranteed by the Senior Facility Guarantors (subject to the guarantee limitations contained in the Senior Facility Agreement);
- will be (subject to the guarantee limitations contained in the Senior Facility Agreement) secured by Liens over certain assets and property constituting Senior Facility Collateral;
- will be effectively subordinated to any existing and future Indebtedness of the Company that is secured by property or assets that do not secure the Additional C2 Facility Loan, to the extent of the value of the property and assets securing such Indebtedness;
- will be *pari passu* in right of payment with all existing and future Indebtedness of the Company that is not subordinated in right of payment to the Additional C2 Facility Loan;
- will be senior in right of payment to all existing and future Indebtedness of the Company that is subordinated in right of payment to the Additional C2 Facility Loan; and
- will be effectively subordinated to all obligations of the Company's Subsidiaries that are not Senior Facility Guarantors (or to the extent guarantee limitations contained in the Senior Facility Agreement apply).

The Liens securing the Additional C2 Facility Loan will be first-ranking and, in some cases, lower-ranking Liens. However, pursuant to the terms of the Intercreditor Agreement, the Additional C2 Facility Lender will share equally with the other lenders under the Senior Facility Agreement in respect of any recoveries from the Senior Facility Collateral (subject to the guarantee limitations set out in the Senior Facility Agreement and the limitations set out in the Intercreditor Agreement).

Senior Facility Agreement Guarantees

The Senior Facilities are guaranteed by the Senior Facility Guarantors. On the Issue Date, the Senior Facility Guarantors will include: Ypso Holding, the Company, Est Video-communication SAS, Numericable SAS, Eno Holding, Coditel Debt, NC Numericable SAS, Eno Belgium SPRL and Ypso Finance. These Senior Facility Guarantees are joint and several obligations of the Senior Facility Guarantors. Due to certain restrictions under Luxembourg, Belgian and French laws related to financial assistance and/or corporate benefit, the guarantees of the Additional C2 Facility Loan from Est Video-communication SAS, Numericable SAS, Eno Holding, Coditel Debt, NC Numericable SAS, Eno Belgium SPRL and Ypso Finance will be severely limited pursuant to the limitations on guarantees set out in the Senior Facility Agreement. However, pursuant to the terms of the Intercreditor Agreement, the Additional C2 Facility Lender and certain hedge counterparties will share equally with the other lenders under the Senior Facility Agreement in respect of any recoveries from all of the Senior Facility Guarantors (subject to the limitations set out in the Intercreditor Agreement). For a description of the Senior Facility Guarantees, including any limitations thereon, see "Description of Other Indebtedness—Senior Secured Credit Facilities—Security and Guarantees" and Clause 24 of the Senior Facility Agreement. For a description of the application of proceeds provisions of the Intercreditor Agreement, see "Description of Other Indebtedness—Intercreditor Agreement—Application of Proceeds".

Ranking of the Senior Facility Guarantees

The Senior Facility Guarantee of each Senior Facility Guarantor:

- will be a general obligation of such Senior Facility Guarantor;
- will be secured by first-ranking Liens and, in some cases, lower-ranking Liens over the Senior Facility Collateral owned by such Senior Facility Guarantor;
- will be effectively subordinated to any existing and future Indebtedness of such Senior Facility Guarantor that is secured by property or assets that do not secure such Senior Facility Guarantee, to the extent of the value of the property and assets securing such Indebtedness;
- will be *pari passu* in right of payment with all existing and future Indebtedness of such Senior Facility Guarantor that is not subordinated in right of payment to such Senior Facility Guarantee; and
- will be senior in right of payment to all existing and future Indebtedness of such Senior Facility Guarantor that is subordinated in right of payment to such Senior Facility Guarantee.

As of June 30, 2012, on an as adjusted basis after giving effect to this offering of the Notes and the application of the proceeds thereof, including the Refinancing, the total financial debt of the Company and the other Senior Facility Guarantors would have been €2,384.8 million, including the Additional C2 Facility Loan and the Additional C1 Facility Loan. The Indenture will permit the Issuer, the Company and the Company's Restricted Subsidiaries to incur additional Indebtedness in the future. During the year ended December 31, 2011, the Senior Facility Guarantors represented 99% of the Company's consolidated revenues and 100% of Company's consolidated EBITDA. As of December 31, 2011, the Senior Facility Guarantors represented 99% of Company's consolidated total assets.

Release of the Senior Facility Guarantees

The Company will not cause or permit, directly or indirectly, any Senior Facility Guarantee to be released other than:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Senior Facility Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction)

the Company or a Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture;

(2) in connection with any sale or other disposition of Capital Stock of that Senior Facility Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture and the Senior Facility Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

(3) if the Company designates any Restricted Subsidiary that is a Senior Facility Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge;"

(5) in accordance with an enforcement sale in compliance with the Intercreditor Agreement or any Additional Intercreditor Agreement, or as otherwise provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement;

(6) in the case of any Restricted Subsidiary of the Company that after the Issue Date is required to become a Senior Facility Guarantor pursuant to the first paragraph of the covenant described under "Certain Covenants—Additional Guarantees", upon the release or discharge of the guarantee of Indebtedness by such Restricted Subsidiary which resulted in the obligation to become a Senior Facility Guarantor;

(7) as a result of a transaction permitted by "—Merger, Consolidation or Sale of Assets";

(8) as described under "—Amendment, Supplement and Waiver"; or

(9) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes.

Senior Facility Collateral

General

The obligations of the Senior Facility Obligors under the Senior Facilities (including after the Issue Date, the Additional C2 Facility Loan) are secured by first-ranking and, in some cases, lower-ranking Liens over the Senior Facility Collateral. Subject to the terms of the Intercreditor Agreement, the lenders under the Senior Facility Agreement, including after the Loan Acquisition Date, the Additional C2 Facility Lender, and certain hedge counterparties, will share equally in respect of any recoveries from the Senior Facility Collateral (subject to the limitations set out in the Intercreditor Agreement). The Senior Facility Collateral has been pledged pursuant to the Senior Facility Security Documents to the Senior Facility Security Agent on behalf of the holders of the secured obligations that are secured by the Senior Facility Collateral, including lenders under the Senior Facility Agreement.

As of the Issue Date, the Senior Facility Collateral will include the following properties and assets:

- the shares of each Senior Facility Obligor (other than Ypso Holding);
- the business (*fonds de commerce*) of the Company's three operating subsidiaries (Est Videocommunication S.A.S., NC Numericable S.A.S. and Numericable S.A.S.); and
- substantially all the Senior Facility Obligors' bank accounts, intercompany receivables and intellectual property rights.

The network assets of the Company and its Subsidiaries are not pledged as security for the Senior Facility Agreement.

The security interests in the Senior Facility Collateral will not be enforceable until the occurrence of one or more of certain events of default (related to non-payment or insolvency-related events) under the Senior Facility Agreement have occurred and any enforcement of such security interests by the Issuer as an Additional C2 Facility Lender will be subject to the Intercreditor Agreement and the Voting Undertaking. See "Additional C2 Facility, the Additional C2 Facility Loan and the Senior Facility Agreement—Voting Rights under the Senior Facility Agreement".

Under the Indenture, the Company and its Restricted Subsidiaries will be permitted to incur certain additional Indebtedness in the future that may share in the Senior Facility Collateral, including additional Permitted Collateral Liens securing Indebtedness on a *pari passu* basis with the Additional C2 Facility Loan, including other Indebtedness under the Senior Facilities and certain Hedging Obligations. The amount of such additional Indebtedness will be limited by the covenants described under the captions "—Certain Covenants—Liens" and "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock". Under certain circumstances, the amount of such additional Indebtedness secured by Permitted Collateral Liens could be significant.

The proceeds from the sale of the Senior Facility Collateral may not be sufficient to satisfy the obligations of the Senior Facility Obligors under the Senior Facilities (including the Additional C2 Facility Loan) and the creditors of other Indebtedness secured thereby. No appraisals of the Senior Facility Collateral have been made in connection with this offering of the Notes or the incurrence of the Additional C2 Facility Loan. By its nature, some or all of the Senior Facility Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Senior Facility Collateral may not be able to be sold in a short period of time, or at all. See "Risk Factors—Risks Relating to the Notes and the Additional C2 Facility Loan—The value of the Senior Facility Collateral or the Senior Facility Guarantees may not be sufficient to satisfy all of Ypso France's obligations under the Senior Facility Agreement, including the Additional C2 Facility Loan. If Ypso France cannot satisfy its obligations under the Additional C2 Facility Loan, the Issuer will not be able to meet its obligations under the Notes".

Release of the Senior Facility Collateral

The Company will not cause or permit, directly or indirectly, any Senior Facility Collateral to be released from the Lien over such Senior Facility Collateral other than:

(1) in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets to a Person that is not (either before or after giving effect to such transaction) the Company or any of its Restricted Subsidiaries, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture;

(2) in the case of a Senior Facility Guarantor that is released from its Senior Facility Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Senior Facility Guarantor;

(3) if the Company designates any of its Restricted Subsidiaries to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets of such Restricted Subsidiary;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge";

(5) as a result of a transaction permitted by "—Merger, Consolidation or Sale of Assets"; or

(6) as described under "—Amendment, Supplement and Waiver"; or

(7) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes.

In addition, the Liens created by the Senior Security Documents will be released (a) in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under "Certain Covenants—Impairment of Security Interest".

Additional C Facility, the Additional C2 Facility Loan and the Senior Facility Agreement

The Senior Facility Agreement permits the Senior Facility Obligors, pursuant to one or more tranches under the Additional C Facility under the Senior Facility Agreement, to incur loans from the Issuer or special purpose finance vehicles funded by the proceeds of certain public or private debt instruments, *provided* that, among other things, the terms of the public or private debt instruments comply with the relevant provisions of the Senior Facility Agreement and the net proceeds of such loans are applied to prepay Indebtedness under the Senior Facility Agreement.

The Senior Facility Agreement may be amended from time to time pursuant to the terms thereof. The Issuer's voting rights as the Additional C2 Facility Lender under the Senior Facility Agreement, including those with respect to any such amendments, will be governed by the Voting Undertaking, as described further below, until such time as all of the other Senior Facilities under the Senior Facility Agreement are repaid in full. In the event of any such repayment of all such other Senior Facilities, the Voting Undertaking will no longer apply and the Issuer as the Additional C2 Facility Lender will be able to exercise all of its voting rights in respect of all loans it has made under the Additional C Facility, including its rights to amend, waive, modify, restate and otherwise vary the terms of the Senior Facility Agreement solely in accordance with the terms thereof, subject to any provisions of the Indenture governing the manner in which the Issuer exercises such rights. Pursuant to the Covenant Agreement, the Issuer will agree, in respect of any such repayment, to amend the Senior Facility Agreement in order to delete all of the maintenance, affirmative and restrictive covenants, representations, warranties, events of default (other than in respect of the Additional C Facility) and related definitions. Accordingly, in the event of any such repayment, the terms and conditions of the Senior Facility Agreement, including the obligations and covenants of the Senior Facility Obligors provided for thereunder, will change significantly. See "Annex A—Senior Facility Agreement". To the extent the Company is required to prepay the Additional C2 Facility Loan upon such a repayment of all of the other Senior Facilities and the Notes do not become due and payable or subject to repurchase or redemption, the Issuer will also agree to re-advance to the Company all such amounts received by it as a voluntary prepayment in full of the Additional C2 Facility Loan, *provided* that no Default or Event of Default is continuing or would result therefrom. Accordingly, in the event of any such repayment of all of the other Senior Facilities, the terms and conditions of the Senior Facility Agreement, including the obligations and covenants of the Senior Facility Obligors provided for thereunder, will change significantly. See "Annex A—Senior Facility Agreement".

On or prior to the Issue Date, the Lending Bank and the Company will execute a commitment letter under the Senior Facility Agreement (the "*Commitment Letter*") pursuant to which the Lending Bank will, on the Loan Funding Date, make available to the Company the Additional C2 Facility Loan in two tranches, the C2 Loan Tranche A that will be in an amount equal to the principal amount of the Fixed Rate Notes and C2 Loan Tranche B that will be in an amount equal to the principal amount of the Floating Rate Notes. The Commitment Letter will provide for the terms and conditions applicable to the Additional C2 Facility Loan. The Company will use the net proceeds of the Additional C2 Facility Loan to prepay certain other outstanding term Indebtedness under the Senior Facility Agreement. See "Use of Proceeds". On the Loan Funding Date, the Issuer will use the net proceeds from this offering of the Notes to fund a sub-participation in the Additional C2 Facility Loan made by

the Lending Bank to the Company net of fees and expenses payable by the Issuer in connection with the Offering. Under the Fee Agreement, the Issuer will charge the Company an amount of fees and expenses in connection with the Additional C2 Facility Loan equal to commissions, costs and expenses payable by the Issuer in relation to this offering of the Notes, including the ongoing administrative ongoing costs and expenses (including taxes) related to the administration of the Issuer. Certain amounts payable by the Company under the Fee Agreement will be deducted from the proceeds of the Additional C2 Facility Loan the Company will receive from the Lending Bank.

The currency, principal, maturity, interest rate and interest periods of each of the C2 Loan Tranche A and C2 Loan Tranche B will be the same as the currency, principal, maturity, interest rate and interest periods of the relevant series of Notes that funded such tranche. The optional prepayment of any amounts under the C2 Loan Tranche A and C2 Loan Tranche B under the Additional C2 Facility Loan will be subject to the same restrictions (including payment of the same applicable premium) as those contained in the Indenture in respect of optional redemption of the relevant series of Notes that funded such tranche.

Under the terms of the Senior Facility Agreement, if any principal amount of the Notes becomes repayable, prepayable or subject to repurchase or redemption prior to its originally scheduled maturity under the terms of the Indenture (other than by reason of acceleration of the Notes), a principal amount of the relevant tranche of the Additional C2 Facility Loan equal to such amount will be prepaid by the Company together with any accrued and unpaid interest on the portion of the Additional C2 Facility Loan prepaid and any prepayment fees described below.

If, as result of an early repayment, prepayment, repurchase or redemption of the Notes in relation to which a mandatory prepayment under the Additional C2 Facility Loan is required as described above, an amount of make-whole, call protection or other premium is payable to the holders of the Notes by the Issuer, the Company will, at or before the same time such mandatory prepayment is due, pay an amount equal to such make-whole, call protection or other premium amount to the Issuer.

Notwithstanding the foregoing, no amount required to be applied in mandatory prepayment under the Senior Facility Agreement (including upon a change of control (as defined thereunder), with the proceeds of a listing, disposal of assets, Additional C Facility Loans or from excess cashflow) will be applied against the Additional C2 Facility Loan other than to the extent a redemption or repurchase of the Notes as described under the headings "Optional Redemption", "Redemption for Changes in Taxes" and "Repurchase at the Option of Holders" is required to be made by the Issuer.

If, following an Event of Default under the Indenture, the Notes become due and payable as a result of an acceleration of the Notes by the Trustee or the holders of the Notes or otherwise, the Issuer will be required to declare all amounts outstanding under the Additional C2 Facility Loan immediately due and payable (subject to the mandatory provisions of articles L.620-1 to L.644-6 of the French Code de Commerce).

The Senior Facility Agreement includes certain maintenance and other affirmative and restrictive covenants that are applicable to the Senior Facility Obligors. Pursuant to the terms of the Voting Undertaking, the Issuer effectively will cede any rights in respect of, and will not be able to initiate an enforcement action for a breach of, those covenants. As a result, the holders of the Notes will not receive any direct or indirect benefit of those covenants.

See "Description of Other Indebtedness—Senior Secured Credit Facilities" and "Annex A: Senior Facility Agreement".

Voting Rights under the Senior Facility Agreement

In connection with this offering of Notes, the Issuer will execute and deliver the Voting Undertaking, which will require the Issuer to exercise all voting rights in respect of all tranches of

Additional C Facility, including the Additional C2 Facility Loan, as described below. Although the majority of matters requiring a vote of the lenders under the Senior Facility Agreement (including the enforcement of the Senior Facility Collateral) only require the consent of the instructing group (defined as more than 66⅔% of the total principal amount outstanding and the total commitments under the Senior Facility Agreement), certain matters require the consent of all lenders. As of June 30, 2012, after giving effect to the Refinancing, the issuance of the Notes and the use of the proceeds therefrom, the Additional C1 Facility Loan and the Additional C2 Facility Loan would have represented 36.4% of the total commitments under the Senior Facility Agreement. See "Risk Factors—Risks Relating to the Notes and the Additional C Facility Loan—Even though the Notes will indirectly be secured by the Senior Facility Collateral and will share in any enforcement proceeds on a *pari passu* basis, enforcement actions with respect to the Senior Facility Collateral will in most instances be controlled by the lenders under the Bank Facilities".

Except as set out in the following paragraphs, the Additional C2 Facility Lender will irrevocably authorize the relevant agent under the Senior Facility Agreement to treat its lender voting entitlement as having been voted in respect of any proposal as if its lender voting entitlement had been split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of that proposal, in each case in the same proportions as the acceptances, rejections and abstentions, respectively, of the lenders (other than the Additional C2 Facility Lender) under the Senior Facility Agreement in respect of the same proposal.

The preceding paragraph will not apply in the case of a request:

(1) that relates to amendments to the partial payments waterfall (dealing with a situation where a payment shortfall occurs under the Senior Facility Agreement and the lenders thereunder are voting to change the order in which any resulting losses are shared) and resignation of the agent thereunder and/or Senior Facility Security Agent and replacement thereof, in which case the Additional C2 Facility Lender will be entitled to exercise voting rights freely with the other lenders thereunder on a Euro for Euro basis (and in accordance with the split of votes of the holder of Notes); or

(2) that relates to the rights or obligations of the Additional C2 Facility Lender (in its capacity as such, including, without limitation, under the provisions of the Senior Facility Agreement relating to cross-defaults, acceleration and other remedies and repayment on demand) under or in respect of an Additional C Facility tranche, in which case the consent of the Additional C2 Facility Lender shall be required,

in each case, a "Non-Enforcement Voting Request".

For the avoidance of doubt, the provisions of the Voting Undertaking will not apply to the amendment or waiver of any provision of the Senior Finance Documents relating to the rights or obligations of the Issuer in its capacity as the Additional C2 Facility Lender as described in clause (2) above. In the case of any such amendment or waiver, the Issuer will act on the instructions of the holders of the Notes and the holders of any Additional Issuer Debt or, to the extent the amendment or waiver relates only to an individual Additional C Facility Loan, the holders of the Notes or Additional Issuer Debt to which that Additional C Facility Loan relates. See "—Certain Covenants—Limitations on Amendments to the Senior Finance Documents" and "—Amendment, Supplement and Waiver".

In respect of any Enforcement Voting Request (as defined below), the lender voting entitlement of the Issuer in its capacity as the Additional C2 Facility Lender will be treated as follows:

(1) if its lender voting entitlement at the relevant time is:

  (i) less than 40% of the aggregate of all lender voting entitlements at that time; or

  (ii) greater than 66⅔% of the aggregate of all lender voting entitlements at that time,

its lender voting entitlement will be split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of the relevant Enforcement Voting Request, in each case in the same proportions as the acceptances, rejections and abstentions, respectively, in relation to the such voting request of the holders of the Notes and all other Additional Issuer Debt;

(2) if the Issuer's lender voting entitlement at the relevant time is greater than 40% of the aggregate of all lender voting entitlements at that time but not more than 66⅔% of the aggregate of all lender voting entitlements at that time:

(i) it will exercise its lender voting entitlement in an amount equal to 40% of the aggregate of all lender voting entitlements under the Senior Facility Agreement, which will be split and voted *pro rata* as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of the relevant Enforcement Voting Request, in each case in the same proportions as the acceptances, rejections and abstentions, respectively, in relation to such voting request of the holders of the Notes and all other Additional Issuer Debt; and

(ii) the Additional C2 Facility Lender will irrevocably authorize the relevant agent under the Senior Facility Agreement to treat its lender voting entitlement in excess of 40% of the aggregate of all lender voting entitlements under the Senior Facility Agreement as if it had been split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, in each case in the same proportions as the acceptances, rejections and abstentions, respectively, of the lenders (other than the Additional C2 Facility Lender) under the Senior Facility Agreement in respect of the relevant Enforcement Voting Request.

The term "Enforcement Voting Request" means a request made to the lenders under the Senior Facility Agreement at any time for directions or instructions to the agent under the Senior Facility Agreement or the Senior Facility Security Agent under or in connection with any Senior Finance Document in each case in relation to any enforcement of the Senior Facility Collateral.

Other than where the Issuer has an independent vote under the Senior Finance Documents or in connection with enforcement of security as referred to above, where a vote is required under the Indenture, it will be controlled by the holders of the Notes irrespective of whether the same matter also requires a vote under the Senior Finance Documents. See "—Amendment, Supplement and Waiver".

Holders of the Notes who do not vote or accept or reject a consent request in response to any solicitation within the applicable consent period or who formally abstain from voting or accepting or rejecting a consent request will be excluded from the voting process.

In the event any additional Additional C Facility Loans are incurred by the Senior Facility Obligors (including the Additional C1 Facility Loan related to the Existing Notes), the proportion of the principal amount of the Additional C Facility outstanding that is represented by the Additional C2 Facility Loan will decrease and, as a result, the holders of the Notes may not be able to direct the Issuer to vote its lender voting entitlements in respect of the Additional C Facility as they may desire, other than in any voting request in respect of the Additional C2 Facility Loan only.

Any Security Agent (or nominee) to which the Issuer's rights under the Additional C2 Facility Loan are assigned or transferred must also exercise its rights in respect of the Additional C2 Facility Loan in accordance with the Voting Undertaking.

As noted above under "—Additional C Facility, the Additional C2 Facility Loan and the Senior Facility Agreement", upon the repayment in full of all of the Senior Facilities other than Additional C Facility, the Voting Undertaking will no longer apply and the Issuer as the lender under the Additional

C2 Facility will be able to exercise all of its voting rights in respect of the Additional C2 Facility Loan solely in accordance with the terms of the Senior Facility Agreement, subject to any provisions of the Indenture governing the manner in which the Issuer exercises such rights.

The voting limitation described above no longer applies if the aggregate lender voting entitlements of the Issuer (and all other lenders, if any, under the Additional C Facility) under all Additional C Facility Loans exceeds 66⅔% of the aggregate of all lender voting entitlements under the Senior Facility Agreement at that time.

See "Annex C: Form of C (Additional Senior Financing) Facility Voting Undertaking".

Additional C Facility Loans

Pursuant to the terms of the Senior Facility Agreement and the Indenture, the Company is entitled to incur additional Additional C Facility Loans under the Additional C Facility that are funded with the proceeds of Additional Issuer Debt (as defined below) or otherwise, *provided* that, among other things, the terms of the Additional Issuer Debt comply with the relevant provisions of the Senior Facility Agreement and the net proceeds of such Additional C Facility Loans are applied to prepay Indebtedness under the Senior Facility Agreement.

The funding of any Additional C Facility Loans may dilute the indirect voting rights of the holders of the Notes in an enforcement action in respect of the Senior Facility Collateral. The aggregate lender voting entitlements of the Issuer (and all other lenders, if any, under the Additional C Facility) under the Additional C Facility Loans in respect of any such enforcement action is limited to a maximum of 40% of the aggregate of all lender voting entitlements under the Senior Facility Agreement at that time irrespective of the actual size of the Additional C Facility Loans. Any voting rights corresponding to the Additional C Facility Loans above 40% of the aggregate of all lender voting entitlements at that time will be deemed to vote alongside the vote cast by the other lenders under the Senior Facility Agreement (other than the Additional C Facility Lenders) in a proportion identical to such lenders' split of votes.

Intercreditor Agreement

The Intercreditor Agreement governs, among other things, the rights and obligations of the lenders under the Senior Facility Agreement and certain priority hedging obligations, in respect of enforcement of the Senior Facility Collateral and the Senior Facility Guarantees. See "Description of Other Indebtedness—Intercreditor Agreement".

Senior Subordinated Notes Intercreditor Agreement

The Senior Facility Agreement permits the subsidiaries of Ypso Holding that are not members of the Ypso France group to issue senior subordinated notes (the "*Senior Notes*") that are entitled to benefit from subordinated guarantees from the Senior Facility Guarantors, provided that certain conditions are met, including that the net proceeds of the Senior Notes are loaned to Ypso Holding (and then on-loaned by Ypso Holding to the Company) to repay indebtedness outstanding under the Senior Facilities. In connection therewith, the Senior Facility Lenders approved the form of Senior Subordinated Intercreditor Agreement that will be entered into in connection with any offering of Senior Notes that will govern, among other things, the rights and obligations of the lenders under the Senior Facility Agreement and the holders of the Senior Notes and the trustee in respect thereof. See "Description of Other Indebtedness—Senior Subordinated Notes Intercreditor Agreement" and Schedule 21 of the Senior Facility Agreement. Please see "Annex A: Senior Facility Agreement".

Covenant Agreement

The Company will not be a party to the Indenture. However, the Indenture will contain certain covenants applicable to the Company and its Restricted Subsidiaries. On the Issue Date, the Senior Facility Obligors, including the Company, will enter into the Covenant Agreement with the Issuer and the Trustee, pursuant to which the Company will agree to comply with such covenants applicable to them (other than any payment obligation) contained in the Indenture, subject to the limitations set forth in the Indenture.

Although the holders of Notes will benefit from the Covenant Agreement, neither the Trustee nor the holders of Notes will be entitled to exercise any rights or remedies under the Covenant Agreement against any Senior Facility Obligor, other than the rights to instruct the Issuer to accelerate the Additional C2 Facility Loan (provided that the Notes have been accelerated) in accordance with the terms of the Senior Facility Agreement and to instruct the Issuer to vote in connection with the enforcement of any Senior Facility Collateral in accordance with the Voting Undertaking, as described under "—Events of Default and Remedies—Remedies under the Senior Facility Agreement" and "—Amendment, Supplement and Waiver".

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a "*Paying Agent*") for the Notes, including a Paying Agent in the City of London (the "*Principal Paying Agent*"). The Issuer will ensure that it maintains a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income, or any law implementing, or complying with or introduced in order to conform to, such directive. The initial Principal Paying Agent will be Citibank, N.A., London Branch.

The Issuer will also maintain one or more registrars (each, a "*Registrar*"). The initial Registrar will be Citigroup Global Markets Deutschland AG. The Issuer will also maintain a transfer agent (the "*Transfer Agent*") in London. The initial Transfer Agent will be Citibank, N.A., London Branch. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes (as defined herein) outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on the behalf of the Issuer. The Registrar will send a copy of the Register to the Issuer on the Issue Date and after any change to the Register made by the Registrar, with such copy to be held by the Issuer and at its registered office. For purposes of Luxembourg law, ownership of the Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

The Issuer may change the Paying Agents, the Registrars or the Transfer Agents without prior notice to the holders of Notes. For so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Dublin (which is expected to be *The Irish Times*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Irish Stock Exchange (*www.ise.ie*).

Transfer and Exchange

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "*144A Global Notes*"), and Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more

global Notes in registered form without interest coupons attached (the "*Reg S Global Notes*" and together with the 144A Global Notes, the "*Global Notes*").

Ownership of interests in the Global Notes (the "*Book-Entry Interests*") will be limited to persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "Transfer Restrictions". In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Note, or the "*Restricted Book-Entry Interest*", may be transferred to a person who takes delivery in the form of Book-Entry Interests in the 144A Global Note, as applicable, or the "*Reg S Book-Entry Interests*", only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the applicable Registrar of instructions relating thereto and any certificates and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "Notice to Investors".

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange; *provided* that, if the Issuer or any Guarantor is a party to the transfer or exchange, the holder will not be required to pay such Taxes.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

Additional Amounts

All payments made by or on behalf of the Issuer with respect to the Notes will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Issuer, the Company or any Senior Facility Guarantor is then incorporated or organized, engaged in business for tax purposes or resident for tax purposes or any political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made by or on behalf of the Issuer, the Company or any Senior Facility Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a "*Tax Jurisdiction*") will at any time be required by law to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes, including payments of principal, redemption price, purchase price, interest or premium, the Issuer will pay such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by each holder after such withholding, deduction or imposition (including any such withholding, deduction or imposition from such Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; *provided*, *however*, that no Additional Amounts will be payable with respect to:

(1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the holder or the beneficial owner of the Notes (or between a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant holder, if the relevant holder is an estate, trust, nominee, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction (including, without limitation, being or having been a citizen, resident, or national thereof or being or having been present or engaged in a trade or business therein or having or having had a permanent establishment therein), but excluding any connection arising merely from the holding of such Note, the enforcement of rights under such Note or the receipt of any payments in respect of such Note;

(2) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(3) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(4) any Taxes withheld, deducted or imposed on a payment to an individual that are required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of November 26 and 27, 2000 on the taxation of savings income, or any law implementing or complying with or introduced in order to conform to, such directive;

(5) Taxes imposed on or with respect to a payment made to a holder or beneficial owner of Notes who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union;

(6) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes;

(7) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Notes, following the Issuer's written request addressed to the holder or beneficial owner (and made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to provide such certification or documentation;

(8) any Taxes imposed on or with respect to any payment by the Issuer to the holder if such holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Note; or

(9) any combination of items (1) through (8) above.

In addition to the foregoing, the Issuer will also pay and indemnify the holder for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and any other reasonable expenses related thereto) which are levied by any Tax Jurisdiction on the execution, delivery, issuance or registration of any of the Notes, the Indenture or any other document referred to therein (other than a transfer of the Notes after this offering) or the receipt of any payments with respect thereto (limited, solely in the case of taxes attributable to the receipt of any payments with respect thereto, to any such taxes imposed in a Tax Jurisdiction that are not excluded under clauses (1) through (5) or (8) above or any combination thereof), or any such taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the Notes.

If the Issuer becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Issuer will deliver to the Trustee on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificates must also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders on the relevant payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

The Issuer will make all withholdings and deductions required by law with respect to any payments made under or with respect to the Notes and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer will furnish to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity.

Whenever in the Indenture or in this "Description of the Notes" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Notes and any department or political subdivision thereof or therein.

Special Mandatory Redemption

In the event that the Loan Funding Date does not occur on or prior to October 26, 2012, the Issuer will redeem all of the Notes (the "*Special Mandatory Redemption*") at a price (the "*Special Mandatory Redemption Price*") equal to 100% of initial offering price of the Notes (expressed as a percentage), plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following October 26, 2012, to the Trustee, and will provide that the Notes shall be redeemed on a date that is no later than October 31, 2012 (the "*Special Mandatory Redemption Date*"). On the Special Mandatory Redemption Date, the Issuer shall pay to the Principal Paying Agent for payment to each holder of Notes the Special Mandatory Redemption Price for such holder's Notes.

At least one Business Day prior to the Special Mandatory Redemption Date, the Company will pay to the Issuer an amount in cash equal to the interest that would accrue on the Notes through the Special Mandatory Redemption Date.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer will notify the Irish Stock Exchange that the Special Mandatory Redemption has occurred and will provide any relevant details relating to such special mandatory redemption.

Optional Redemption

Fixed Rate Notes

At any time prior to February 15, 2015, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instruction the Issuer will, redeem up to 35% of the aggregate principal amount of the Fixed Rate Notes issued under the Indenture, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 108.75% of the principal amount of the Fixed Rate Notes redeemed, in each case, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the rights of holders of Fixed Rate Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering; *provided* that:

(1) at least 65% of the aggregate principal amount of the Fixed Rate Notes originally issued under the Indenture (excluding Fixed Rate Notes held by the Issuer, the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

At any time prior to February 15, 2016, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instruction the Issuer will, redeem all or a part of the Fixed Rate Notes upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Fixed Rate Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the

rights of holders of the Fixed Rate Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the preceding two paragraphs and except pursuant to "—Redemption for Changes in Taxes", the Fixed Rate Fixed Rate Notes will not be redeemable at the Issuer's or the Company's option prior to February 15, 2016.

On or after February 15, 2016, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instruction the Issuer will, redeem all or a part of the Fixed Rate Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Fixed Rate Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on February 15 of the years indicated below, subject to the rights of holders of Fixed Rate Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Redemption Price
2016	104.3750%
2017	102.1875%
2018	100.0000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Fixed Rate Notes or portions thereof called for redemption on the applicable redemption date.

Any redemption and notice may, in the Issuer's or the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including that the Issuer or any Paying Agent has received sufficient funds from the Company or the relevant Senior Secured Borrower to pay the full redemption price payable to the holders of the Fixed Rate Notes on or before the relevant redemption date.

Floating Rate Notes

At any time prior to October 15, 2013, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instruction the Issuer will, redeem all or a part of the Floating Rate Notes upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Floating Rate Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of the Floating Rate Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the preceding paragraph and except pursuant to "—Redemption for Changes in Taxes", the Floating Rate Notes will not be redeemable at the Issuer's or the Company's option prior to October 15, 2013.

On or after October 15, 2013, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instruction the Issuer will, redeem all or a part of Floating Rate Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Floating Rate Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on October 15 of the years indicated below,

subject to the rights of holders of Floating Rate Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Redemption Price
2013	102.000%
2014	101.000%
2015 and thereafter	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Floating Rate Notes or portions thereof called for redemption on the applicable redemption date.

Any redemption and notice may, in the Issuer's or the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including that the Issuer or any Paying Agent has received sufficient funds from the Company or the relevant Senior Secured Borrower to pay the full redemption price payable to the holders of the Floating Rate Notes on or before the relevant redemption date.

Redemption for Changes in Taxes

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 30 nor more than 60 days' prior notice to the holders of the Notes (which notice will be irrevocable and given in accordance with the procedures described in "—Selection and Notice"), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "*Tax Redemption Date*") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, the Issuer is or would be required to pay Additional Amounts and the Issuer cannot avoid any such payment obligation by taking reasonable measures available, and the requirement arises as a result of:

(1) any amendment to, or change in, the laws or any regulations or rulings promulgated thereunder of a relevant Tax Jurisdiction which change or amendment is announced and becomes effective on or after the date of this Offering Memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this Offering Memorandum, such later date); or

(2) any amendment to, or change in, an official written interpretation or application of such laws, regulations or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change is announced and becomes effective on or after the date of this Offering Memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this Offering Memorandum, such later date).

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer would be obligated to make such payment or withholding if a payment in respect of the Notes were then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld)) to the effect that there has been such amendment or change which would entitle the Issuer to redeem the Notes hereunder. In addition,

before the Issuer publishes or mails notice of redemption of the Notes as described above, it will deliver to the Trustee an Officer's Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the Notes.

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or an integral multiple of €1,000 in excess thereof) of that holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase (the "*Change of Control Payment*"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Unless the Issuer has unconditionally exercised its right to redeem all the Notes as described under "—Optional Redemption" or all conditions to such redemption have been satisfied or waived, within 30 days following the date of any Change of Control, the Issuer will mail a notice to each holder of the Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "—Selection and Notice", stating that a Change of Control Offer is being made and offering to repurchase Notes on the date (the "*Change of Control Payment Date*") specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice. The Issuer will comply with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer will comply with any applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Principal Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The Principal Paying Agent will promptly mail (or cause to be delivered) to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee (or its authenticating agent) will promptly authenticate and mail (or cause to be transferred by book-entry) to

each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a holder of the Notes' right to require the Issuer to repurchase such holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Company or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) a notice of redemption has been given pursuant to the Indenture as described above under the caption "—Optional Redemption", unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Issuer's ability to repurchase Notes pursuant to a Change of Control Offer following the occurrence of a Change of Control may be limited by the Company's and the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors—Risks Relating to our Indebtedness, including the Notes—We may not be able to obtain sufficient funds to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture".

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Notes prior to the occurrence of the Change of Control.

If and for so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, the Issuer will publish a public announcement with respect to the results of any Change of Control Offer in a leading newspaper of general circulation in Dublin (which is expected to be *The Irish Times*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Irish Stock Exchange (*www.ise.ie*).

Asset Sales

The Issuer will not, directly or indirectly, consummate any Issuer Asset Sale.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

  (a) any liabilities, as recorded on the balance sheet of the Company or any Restricted Subsidiary (other than contingent liabilities), that are assumed by the transferee of any such assets and as a result of which the Company and its Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities;

  (b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 90 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;

  (c) any Capital Stock or assets of the kind referred to in clauses (1)(c) or (e) of the next paragraph of this covenant;

  (d) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Sales having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (d) that is at that time outstanding, not to exceed the greater of €25.0 million at the time of the receipt of such Designated Non-Cash Consideration (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

  (e) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Company and each other Restricted Subsidiary are released from any guarantee of such Indebtedness in connection with such Asset Sale; and

  (f) consideration consisting of Indebtedness of the Company or any other Senior Facility Guarantor (other than Ypso Holding) received from Persons who are not the Company or any Restricted Subsidiary.

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may:

(1) apply such Net Proceeds (at the option of the Company or Restricted Subsidiary):

  (a) to repurchase the Notes in an offer to all holders of the Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (a "*Notes Offer*");

  (b) to repay Indebtedness and other Obligations under a Credit Facility (excluding Public Debt and any Public Debt that funds any Additional C Facility Loan issued by the Issuer or any other Person) that are secured by a Lien on the Senior Facility Collateral and, if

the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(c) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;

(d) to make a capital expenditure; or

(e) to acquire other assets (other than Capital Stock) not classified as current assets under IFRS that are used or useful in a Permitted Business; or

(2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (b), (c) or (d) of paragraph (1) above; *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 360-day period.

Pending the final application of any Net Proceeds, the Company (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the third paragraph of this covenant will constitute "*Excess Proceeds*". When the aggregate amount of Excess Proceeds exceeds €10.0 million, within five Business Days thereof, the Company will notify the Issuer that an Asset Sale Offer is required to be made and will provide to the Issuer the information required to determine the Excess Proceeds and any other information required by the Issuer to give the notice of the Asset Sale Offer. Within five Business Days of the receipt of such notice from the Company, the Issuer will make an offer (an "*Asset Sale Offer*") to all holders of Notes and, to the extent the Company elects and notifie the Issuer in such notice, make an offer to all holders of other Indebtedness that is *pari passu* with the Notes to purchase, prepay or redeem the maximum principal amount of Notes and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer or if the aggregate principal amount of the Notes tendered pursuant to a Notes Offer exceeds the amount of Excess Proceeds so applied, the Trustee will select the Notes and such other *pari passu* Indebtedness, if applicable, to be purchased on a *pro rata* basis (or in the manner described under "—Selection and Notice"), based on the amounts tendered or required to be prepaid or redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

To the extent that any portion of Net Proceeds payable in respect of the Notes is denominated in a currency other than euro, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in euro that is actually received by the Issuer upon converting such portion of the Net Proceeds into euro.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to a Change of

Control Offer, a Notes Offer or an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control or Asset Sale provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control or Asset Sale provisions of the Indenture by virtue of such compliance.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption on a *pro rata* basis (or, in the case of Notes issued in global form as discussed under ''—Book-Entry, Delivery and Form'', based on a method that most nearly approximates a *pro rata* selection as the Trustee deems fair and appropriate), unless otherwise required by law or applicable stock exchange or depository requirements. The Trustee shall not be liable for selections made by it in accordance with this paragraph.

No Notes of €100,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Notes called for redemption become due on the date fixed for redemption, subject to any applicable conditions. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes which are represented by global certificates held on behalf of Euroclear and/or Clearstream, notices may be given by delivery of the relevant notices to Euroclear and/or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Dublin (which is expected to be *The Irish Times*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Irish Stock Exchange (*www.ise.ie*) and, in connection with any redemption, the Issuer will notify the Irish Stock Exchange of any change in the principal amount of Notes outstanding.

Certain Covenants

Incurrence of Indebtedness and Issuance of Preferred Stock

The Issuer will not directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, ''*incur*'') any Indebtedness (including Acquired Debt) other than (1) the Notes (including Additional Notes) and (2) Indebtedness of the Issuer that is not subordinated in right of payment to the Notes (including any such Indebtedness of the Issuer outstanding on the Issue Date) (''*Additional Issuer Debt*''); *provided*, that, in each case, the proceeds of each incurrence of Additional Notes or Additional Issuer Debt are loaned by the Issuer to one or more Senior Facility Borrowers pursuant to an Additional C Facility Loan on terms substantially similar to those governing the Additional C2 Facility Loan at the time of such loan of the proceeds of the Additional Notes or Additional Issuer Debt, as the case may be (other

than in respect of currency, principal, maturity, interest rate and interest periods and prepayment provisions), and the relevant Senior Facility Borrower is permitted to Incur the Additional C Facility Loans under the terms of this covenant.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided*, *however*:

(1) that the Company may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and the Senior Facility Obligors (other than Ypso Holding) may incur Indebtedness (including Acquired Debt) or issue preferred stock, in each case, other than Public Debt, if on the date on which such additional Indebtedness is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, the Company's Consolidated Leverage Ratio would have been less than (x) 5.25 to 1.0, if the date of such incurrence is prior to the one-year anniversary of the Issue Date, or (y) 4.75 to 1.0, if the date of such incurrence is on or after the one-year anniversary of the Issue Date, in each case, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of the applicable two-quarter period; and

(2) if the Indebtedness to be incurred is Senior Secured Indebtedness, the Senior Facility Guarantors (other than the Ypso Holding) may incur such Senior Secured Indebtedness if on the date on which such additional Senior Secured Indebtedness is incurred, the Company's Consolidated Senior Secured Leverage Ratio would have been less than 4.00 to 1.0, in each case, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Senior Secured Indebtedness had been incurred at the beginning of the applicable two-quarter period.

The second paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "*Permitted Debt*"):

(1) the incurrence by the Company and any other Senior Facility Guarantors of additional Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed an amount equal to €1,926.7 million, *plus* in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing, *less* the aggregate amount of all Net Proceeds of Asset Sales applied by the Company or any of its Restricted Subsidiaries since the Issue Date to permanently repay any Indebtedness under a Credit Facility and effect a corresponding commitment reduction thereunder pursuant to the covenant described above under the caption "—Repurchase at the Option of the Holders—Asset Sales";

(2) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Issue Date after giving effect to the use of proceeds of the Additional C2 Facility Loan;

(3) the incurrence by the Company and the Senior Facility Guarantors of Indebtedness represented by the Additional C2 Facility Loan and the related Senior Facility Guarantees, in each case, incurred on the Issue Date;

(4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other Indebtedness, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property (real or personal), plant or equipment (whether through the direct purchase of assets or the

Capital Stock of any Person owning such assets) used in the business of the Company or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), not to exceed the greater of €75.0 million and 2.8% of Total Assets at any time outstanding;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the second paragraph of this covenant or clauses (2), (3) or (5) of this paragraph;

(6) the incurrence by the Company or any Restricted Subsidiary of intercompany Indebtedness between or among the Company or any Restricted Subsidiary; *provided* that:

(a) if the Company or any Senior Facility Guarantor is the obligor on such Indebtedness and the payee is not a Senior Facility Obligor, such Indebtedness must be unsecured and ((i) except in respect of the intercompany current liabilities incurred in connection with cash management positions of the Company and the Restricted Subsidiaries and (ii) only to the extent legally permitted (the Company and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness)) expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Additional C2 Facility Loan, in the case of the Company, or the Senior Facility Guarantee, in the case of another Senior Facility Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any Restricted Subsidiary to the Company or to any of its Restricted Subsidiaries of preferred stock; *provided* that:

(a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Company or a Restricted Subsidiary; and

(b) any sale or other transfer of any such preferred stock to a Person that is not either the Company or a Restricted Subsidiary,

will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the incurrence by the Company or any Restricted Subsidiary of Hedging Obligations for *bona fide* hedging purposes of the Company and its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or a member of senior management of the Company);

(9) the guarantee by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with an Additional C2 Facility Loan or a Senior

Facility Guarantee, then the guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(10) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, the financing of insurance premiums, captive insurance companies, bankers' acceptances, performance and surety bonds in the ordinary course of business;

(11) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within 10 Business Days of such incurrence;

(12) the incurrence by the Company and its Restricted Subsidiaries of Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary, *provided* that, with respect to a disposition, the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(13) the incurrence by the Company and its Restricted Subsidiaries of Indebtedness in respect of (A) letters of credit, surety, performance or appeal bonds, completion guarantees, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments or obligations issued or incurred in the ordinary course of business of such Person and not in connection with the borrowing of money, including letters of credit or similar instruments in respect of self-insurance, workers compensation and rent payment obligations, *provided*, *however*, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing; and (B) any customary cash management, cash pooling or netting or setting off arrangements;

(14) Indebtedness of the Company or any of its Restricted Subsidiaries in respect of Management Advances;

(15) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(16) Indebtedness of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any of its Restricted Subsidiaries (other than Indebtedness incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary of the Company or was otherwise acquired by the Company or any of its Restricted Subsidiaries); *provided*, *however*, with respect to this clause (16), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred (x) the Company would have been able to incur €1.00 of additional Indebtedness pursuant to the second paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (16) or (y) the Consolidated Leverage Ratio of the Company would not be greater than it was immediately prior to giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (16);

(17) Indebtedness in an aggregate outstanding principal amount that, when taken together with any Permitted Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause (17) and then outstanding, will not exceed 100% of the Net Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; *provided*, *however*, that (i) any such Net Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the second paragraph and clauses (2), (4), (8) and (13) of the third paragraph of the covenant described below under "—Restricted Payments" to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this clause (17) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the second paragraph and clauses (2), (4), (8) and (13) of the third paragraph of the covenant described below under "—Restricted Payments" in reliance thereon;

(18) the incurrence by the Company or any of the other Senior Facility Obligors (other than Ypso Holding) of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (18) not to exceed the greater of €50.0 million and 1.8% of Total Assets; and

(19) the incurrence of Indebtedness by the Company under any Subordinated Company Loan representing all or a the portion of the proceeds of a substantially concurrent incurrence of Indebtedness by a Parent Entity or the subsidiary of a Parent Entity that is guaranteed by the Company and its Restricted Subsidiaries that are Senior Facility Obligors pursuant to the second or third paragraphs of this covenant, *provided* that such Subordinated Company Loan is granted as Senior Facility Collateral and any payments under such Subordinated Company Loan are subject to the Senior Subordinated Notes Intercreditor Agreement or any Additional Senior Subordinated Notes Intercreditor Agreement.

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in this covenant (other than the first paragraph of this covenant), the Company, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses and will be permitted on the date of such incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the second and third paragraphs of this covenant, and from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant, *provided* that Indebtedness incurred pursuant to clauses (1) or (19) of the definition of Permitted Debt may not be reclassified. Indebtedness under the Senior Facility Agreement (other than such Indebtedness held by Coditel Debt) outstanding on the Issue Date will be deemed to have been incurred on such date in reliance on the exceptions provided in clauses (1) and (3) of the definition of Permitted Debt. Indebtedness under the Senior Facility Agreement held by Coditel Debt on the Issue Date will be deemed to have been incurred on such date in reliance on the exception provided in clause (6) of the definition of Permitted Debt.

The accrual of interest or preferred stock dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the

payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this covenant. For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the euro-equivalent principal amount of Indebtedness denominated in a different currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred in the case of term Indebtedness, or first committed, in the case of Indebtedness incurred under a revolving credit facility; *provided*, *however*, that (i) if such Indebtedness denominated in non-euro currency is subject to a Currency Exchange Protection Agreement with respect to euro the amount of such Indebtedness expressed in euro will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (ii) the euro-equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the euro-equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except that to the extent that:

(1) such euro-equivalent was determined based on a Currency Exchange Protection Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the euro-equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(i) the Fair Market Value of such assets at the date of determination; and

(ii) the amount of the Indebtedness of the other Person.

Restricted Payments

The Issuer will not, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of its Equity Interests or to the direct or indirect holders of its Equity Interests in their capacity as holders; or

(2) purchase, redeem or otherwise acquire or retire for value any of its Equity Interests or any of its direct or indirect parent entity of the Issuer,

other than Permitted Issuer Maintenance Payments.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as holders (other than (i) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and (ii) dividends or distributions payable to the Company or a Restricted Subsidiary);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect Parent Entity;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Company or any Senior Facility Guarantor that is contractually subordinated in right of payment to any Obligations of the Senior Facility Obligors under the Additional C2 Facility Loan or any Senior Facility Guarantee (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Indebtedness purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition;

(4) make any cash payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt; or

(5) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (1) through (5) above being collectively referred to as "*Restricted Payments*"), unless, at the time of any such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur immediately thereafter as a consequence of such Restricted Payment;

(b) the Company would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable two-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Consolidated Leverage Ratio test set forth in the second paragraph of the covenant described below under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock"; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (5), (6), (7), (10), (11), (12), (13) and (16) of the next succeeding paragraph), is less than the sum, without duplication, of:

(i) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the fiscal quarter commencing immediately prior to the issue date of the Existing Notes to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(ii) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities received by the Company since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock and Excluded Contributions) or from the issue or sale of convertible or exchangeable Disqualified Stock of the Company or convertible or exchangeable debt securities of the Company, in each case that have been converted into or exchanged for Equity Interests of the Company (other than Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Company) or from the issuance or sale of Subordinated Shareholder Debt (other than an issuance or sale to a Subsidiary of the Company); *plus*

(iii) to the extent that any Restricted Investment that was made after the Issue Date is (a) sold, disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the property and marketable securities received by the Company or any Restricted Subsidiary (other than from a Person that is not the Company or a Restricted Subsidiary), or (b) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Company and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Company designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged or consolidated into the Company or a Restricted Subsidiary, or all of the assets of such Unrestricted Subsidiary are transferred to the Company or a Restricted Subsidiary, the Fair Market Value of the property received by the Company or Restricted Subsidiary or the Company's Restricted Investment in such Subsidiary as of the date of such redesignation, merger, consolidation or transfer of assets, to the extent such Investments reduced the Restricted Payments capacity under this clause (c) and were not previously repaid or otherwise reduced; *plus*

(v) upon the full and unconditional release of a Restricted Investment that is a guarantee made by the Company or one of its Restricted Subsidiaries to any Person, an amount equal to the amount of such guarantee; *plus*

(vi) 100% of any cash dividends or distributions received by the Company or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Net Income of the Company for such period.

The provisions in the second paragraph of this covenant will not prohibit:

(1) the payment of any dividend or the consummation of any redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock), Subordinated Shareholder Debt or from the substantially concurrent contribution of common equity capital to the Company; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from the calculation of amounts under clause (c)(ii) of the preceding paragraph, will not constitute Excluded Contributions and will

not be considered to be net cash proceeds from an Equity Offering for purposes of the "Optional Redemption" provisions of the Indenture;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of any Senior Facility Obligor that is contractually subordinated to the Additional C2 Facility Loan or to any Senior Facility Guarantee in respect thereof with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary held by any current or former officer, director, employee or consultant of the Company or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed €10.0 million, plus €2.5 million multiplied by the number of calendar years that have commenced since the Issue Date, in any calendar year (with unused amounts in any calendar year being carried over to the next succeeding calendar year); and *provided*, *further*, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds from the sale of Equity Interests of the Company or a Restricted Subsidiary received by the Company or a Restricted Subsidiary during such calendar year, in each case to members of management, directors or consultants of the Company, any of its Restricted Subsidiaries or any of its direct or indirect parent companies and (B) the cash proceeds of key man life insurance policies, in each case to the extent the cash proceeds therefrom have not otherwise been applied to the making of Restricted Payments pursuant to clause (c)(ii) of the preceding paragraph or clause (2) of this paragraph;

(5) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;

(6) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any preferred stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with the covenant described above under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(7) payments of cash, dividends, distributions, advances or other Restricted Payments by the Company or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person;

(8) so long as no Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering of the Capital Stock of the Company or a Parent Entity, the declaration and payment of dividends on the Capital Stock of, or loans, advances, dividends or distributions to any Parent Entity for the purpose of paying, dividends or distributions on the Capital Stock of the Company or any Parent Entity, in an amount per annum not to exceed the greater of (a) 6% of the net cash proceeds received by the Company in any such Initial Public Offering and any subsequent Public Equity Offering of such Capital Stock, or the net cash proceeds of any such Initial Public Offering and subsequent Public Equity Offering of such Capital Stock of any Parent Entity that are contributed in cash to the Company's equity (other than through the issuance of Disqualified Stock) or contributed in cash as Subordinated Shareholder Debt and (b) 5% of the Market Capitalization, *provided* that after giving *pro forma* effect to the payments of any such dividend or the making of any such distribution, the Company's Consolidated Leverage Ratio would have been less than 3.50 to 1.0; *provided*, *further*, that, in each of (a) and (b) above, if such Initial Public Offering or Public Equity

Offering was of Capital Stock of a Parent Entity, the net proceeds of any such dividend, loan, advance or distribution are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent Entity;

(9) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Company or a Restricted Subsidiary to pay for the purchase or other acquisition for value of Equity Interests of the Company (other than Disqualified Stock), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Equity Interests of the Company (other than Disqualified Stock); *provided* that the total aggregate amount of Restricted Payments made under this clause (9) does not exceed €10 million, plus €2.5 million multiplied by the number of calendar years that have commenced since the Issue Date, in any calendar year (with unused amounts in any calendar year being carried over to the next succeeding calendar year);

(10) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests (other than the Company or any Restricted Subsidiary) on no more than a *pro rata* basis;

(11) so long as no Default or Event of Default has occurred and is continuing, the payment of Management Fees;

(12) Permitted Parent Payments;

(13) Restricted Payments that are made with Excluded Contributions;

(14) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of any Senior Facility Obligor that is subordinated in right of payment to the Additional C2 Facility Loan or to any Senior Facility Guarantee in respect thereof (other than any Indebtedness so subordinated and held by Affiliates of the Company) upon a Change of Control or Asset Sale to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101% of the principal amount of such Indebtedness, in the case of a Change of Control, and 100%, in the case of an Asset Sale, but only if the Company and Issuer shall have complied with their respective obligations under the covenants described under "Repurchase at the Option of Holders—Change of Control" and "—Asset Sales" and the Issuer repurchased all Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Indebtedness;

(15) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Company or a Restricted Subsidiary of the Company by, Unrestricted Subsidiaries;

(16) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing; or

(17) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed €50.0 million since the Issue Date.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Liens

The Issuer will not, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness upon any of its property or assets, now owned or hereafter acquired, other than Permitted Issuer Liens.

The Company will not and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness upon any of their property or assets, now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Senior Facility Collateral, (a) Permitted Liens or (b) Liens on property or assets that are not Permitted Liens if the Obligations of the relevant Senior Facility Obligor under the Additional C2 Facility Loan or Senior Facility Guarantee in respect thereof are directly secured equally and ratably with, or prior to, the Indebtedness secured by such Lien for so long as such Indebtedness is so secured and (2) in the case of any property or asset that constitutes Senior Facility Collateral, Permitted Collateral Liens.

No Layering of Debt

No Senior Facility Obligor will incur any Indebtedness (including Permitted Debt) that is contractually subordinated or junior in right of payment to any other Indebtedness of such Senior Facility Obligor unless such Indebtedness is also contractually subordinated in right of payment to the relevant Additional C2 Facility Loan or the relevant Senior Facility Guarantee in respect thereof of such Senior Facility Obligor on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of any Senior Facility Obligor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment-ordering provisions affecting different tranches of Indebtedness.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any Restricted Subsidiary;

(2) make loans or advances to the Company or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its properties or assets to the Company or any Restricted Subsidiary,

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness incurred by the Company or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements or instruments governing Indebtedness and Credit Facilities as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements and Credit Facilities; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings,

replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date (as determined in good faith by the Board of Directors or a member of senior management of the Company);

(2) the Indenture, the February 2012 Notes Indenture, the Covenant Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Senior Subordinated Notes Intercreditor Agreement, any Additional Senior Subordinated Notes Intercreditor Agreement and the Senior Facility Security Documents;

(3) agreements or instruments relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes and the Additional C2 Facility Lender than the encumbrances and restrictions contained in the Senior Facility Agreement, the Intercreditor Agreement and the Senior Subordinated Notes Intercreditor Agreement, in each case, as in effect on the Issue Date (as determined in good faith by the Board of Directors or a member of senior management of the Company);

(4) applicable law, rule, regulation or order or the terms of any license, authorization, concession or permit or required by any regulatory authority with jurisdiction over the Company or any of its Restricted Subsidiaries;

(5) any agreement or instrument governing Indebtedness or Capital Stock of a Person acquired by, or merged, combined or otherwise consolidated with, the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition, merger, combination or consolidation, or the time on which such agreement or instrument is assumed by the Company or any of its Restricted Subsidiaries in connection with an acquisition of assets (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition); *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(6) customary non-assignment and similar provisions in contracts, joint venture agreements, leases, licenses and other similar agreements entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business, Capital Lease Obligations or joint venture agreements that impose encumbrances or restrictions on the property purchased, leased or subject to a joint venture of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the direct or indirect sale or other disposition of the Capital Stock or all or substantially all of the property and assets of a Restricted Subsidiary that imposes encumbrances or restrictions with respect to that Restricted Subsidiary (or any of its property or assets) pending its sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced (as determined in good faith by the Board of Directors or a member of senior management of the Company);

(10) Liens permitted to be incurred under the provisions of the covenant described above under the caption "—Liens" that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(13) any encumbrance or restriction effected in connection with a Qualified Securitization Financing that, in the good faith determination of the Company, is necessary or advisable to effect such Qualified Securitization Financing; and

(14) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (13), or in this clause (14); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced (as determined in good faith by the Board of Directors or a member of senior management of the Company).

Merger, Consolidation or Sale of Assets

The Issuer will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer taken as a whole in one or more related transactions, to another Person.

The Company will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole in one or more related transactions, to another Person, unless:

(1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of any member state of the Pre-Expansion European Union, Switzerland, Canada, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger with the Company (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Company under the Senior Facility Agreement and the Covenant Agreement pursuant to agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Consolidated Leverage Ratio test set forth in the covenant described above under the caption "—Incurrence of Indebtedness and Issuance of Preferred

Stock" or (ii) have a Consolidated Leverage Ratio no greater than it was immediately prior to giving effect to such transaction; and

(5) the Company delivers to the Trustee an Officer's Certificate and opinion of counsel, in each case, stating that such consolidation, merger or transfer and such agreements referred to in clause (2) above comply with this covenant and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture, the Notes and the Covenant Agreement constitute legal, valid and binding obligations of the Company or the Person formed by or surviving any such consolidation, merger or other business combination transaction (if other than the Company) enforceable in accordance with their terms; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (3) and (4) above.

A Senior Facility Guarantor (other than the Company or any Senior Facility Guarantor whose Senior Facility Guarantee is to be released in accordance with the terms of the Indenture as descried under "—Senior Facility Guarantees") will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Senior Facility Guarantor is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Senior Facility Guarantor and its Subsidiaries that are Restricted Subsidiaries taken as a whole in one or more related transactions, to another Person, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Senior Facility Guarantor under the Senior Finance Documents on terms reasonably satisfactory to the Trustee; or

(b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture.

In addition, the Company will not, directly or indirectly, lease all or substantially all of the properties and assets of it and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

Clauses (3) and (4) of the second paragraph of this "Merger, Consolidation or Sale of Assets" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Company with or into any other Senior Facility Obligor. Clause (4) of the second paragraph of this "Merger, Consolidation or Sale of Assets" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Company with or into an Affiliate solely for the purpose of reincorporating the Company in another jurisdiction for tax reasons.

Transactions with Affiliates

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of €5.0 million, unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction

by the Company or such Restricted Subsidiary with an unrelated Person (as determined in good faith by the Board of Directors or a member of senior management of the Company); and

(2) the Company delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of € 10.0 million, a resolution of the Board of Directors of the Company set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company; and, in addition,

(b) with respect to (i) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million or (ii) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €10.0 million in which there are no disinterested members of the Board of Directors of the Company, an opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair from a financial point of view taking into account all relevant circumstances or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, collective bargaining agreement, consultant, employee benefit arrangements with any employee, consultant, officer or director of the Company or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;

(2) transactions between or among the Company and any Restricted Subsidiary or between or among Restricted Subsidiaries;

(3) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of Officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;

(5) any issuance of Equity Interests (other than Disqualified Stock) or Subordinated Shareholder Debt of the Company to Affiliates of the Company;

(6) any Investment (other than a Permitted Investment) or other Restricted Payment, in either case, that does not violate the provisions of the Indenture described above under the caption "—Restricted Payments";

(7) Management Advances;

(8) any Permitted Investments (other than Permitted Investments described in clauses (3), (9) and (16) of the definition thereof) and any Permitted Investment in any Unrestricted Subsidiary;

(9) the incurrence of any Subordinated Shareholder Debt;

(10) transactions pursuant to, or contemplated by any agreement in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not, in the good faith determination of the Board of Directors of the Company or a member of the senior management of the Company, more disadvantageous in any material respect to the holders of the Notes and the Additional C2 Facility Lender than the original agreement as in effect on the Issue Date;

(11) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labor (including, for the avoidance of doubt, Altice B2B France S.à r.l., Completel and their subsidiaries), in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Company or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Company or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;

(12) any payments or other transactions pursuant to a tax sharing agreement between the Company and any other Person or a Restricted Subsidiary of the Company and any other Person with which the Company or any of its Restricted Subsidiaries files a consolidated tax return or with which the Company or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided*, *however*, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Company and its Restricted Subsidiaries on a stand-alone basis;

(13) customary directors' fees, indemnification and similar arrangements (including the payment of directors' and officers' insurance premiums), consulting fees, employee salaries, bonuses, employment agreements and arrangements, compensation or employee benefit arrangements, including stock options or legal fees (as determined in good faith by the Board of Directors or a member of senior management of the Company);

(14) any contribution to the capital of the Company in exchange for Capital Stock of the Company (other than Disqualified Stock and preferred stock);

(15) transactions between the Company or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Company or any direct or indirect parent of the Company; *provided*, *however*, that such director abstains from voting as a director of the Company or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(16) pledges of Equity Interests of Unrestricted Subsidiaries;

(17) payments to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries;

(18) any transaction effected as part of a Qualified Securitization Financing;

(19) any purchase by the Issuer's or the Company's Affiliates of Indebtedness or Disqualified Stock of the Issuer, the Company or any of its Restricted Subsidiaries the majority of which Indebtedness or Disqualified Stock is purchased by Persons who are not the Issuer's or the Company's Affiliates; *provided* that such purchases by the Issuer's or the Company's Affiliates

are on the same terms as such purchases by such Persons who are not the Issuer's or the Company's Affiliates;

(20) any guarantee, by the Company and its Restricted Subsidiaries that are Senior Facility Obligors, of Indebtedness of a Parent Entity or the subsidiary of a Parent Entity, *provided* that such guarantees are incurred pursuant to the second or third paragraphs under the covenant "Incurrence of Indebtedness and Issuance of Preferred Stock" above and are subject to the Senior Subordinated Notes Intercreditor Agreement or any Additional Senior Subordinated Notes Intercreditor Agreement; and

(21) the incurrence by the Company of a Subordinated Company Loan pursuant to clause (19) of the definition of Permitted Debt and the performance by the Company and its Restricted Subsidiaries of their obligations thereunder.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary (including any newly acquired or newly formed Restricted Subsidiary) to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "—Restricted Payments" or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "—Restricted Payments". If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock", the Company will be in default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock", calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

Maintenance of Listing

The Company and the Issuer will use their commercially reasonable efforts to obtain and maintain the listing of the Notes on the Global Exchange Market of the Irish Stock Exchange for so long as such Notes are outstanding; *provided* that if the Company and Issuer are unable to obtain admission to funding of the Notes on the Global Exchange Market of the Irish Stock Exchange or if at any time the

Company and the Issuer determine that it will not maintain such listing, they will use their commercially reasonable efforts to obtain and maintain a listing of such Notes on another recognized stock exchange.

Additional Guarantees

The Company will not permit any of its Restricted Subsidiaries that are not Senior Facility Guarantors, directly or indirectly, to guarantee the payment of any other Indebtedness of the Company or any other Senior Facility Guarantor unless such Restricted Subsidiary simultaneously accedes to the Senior Facility Agreement as an additional Senior Facility Guarantor providing for the guarantee of the payment of all obligations of the Company under the Additional C2 Facility Loan by such Restricted Subsidiary, which Senior Facility Guarantee will be *pari passu* with or senior to such Restricted Subsidiary's guarantee of such other Indebtedness.

The Company shall ensure that within 120 days after the end of each of the Company's fiscal year beginning with the first fiscal year ending after the Issue Date:

(1) the combined EBITDA (determined separately and without double counting (for the avoidance of doubt, all intra-group items and Investments in Subsidiaries of the Company of or by the Company or any of its Restricted Subsidiaries shall be excluded)) of the Senior Facility Guarantors for the most recently ended four fiscal quarters shall equal or exceed 80.0% of the *Pro Forma* Consolidated EBITDA for such four fiscal quarters of the Company; and

(2) the combined gross assets (determined separately, without double counting (for the avoidance of doubt, all intra group items and Investments in Subsidiaries of the Company of or by the Company or any of its Restricted Subsidiaries shall be excluded)) as of the last day of the most recently ended four fiscal quarters of the Senior Facility Guarantors shall equal or exceed 80.0% of the *Pro Forma* Consolidated Gross Assets of the Company as of such date,

by causing one or more of its Restricted Subsidiaries that are not Senior Facility Guarantors to accede to the Senior Agreement Facility and become a Senior Facility Guarantor and guarantee the Obligations of the Company under the Senior Facility Agreement (including the Additional C2 Facility Loan) to the extent necessary to ensure the foregoing thresholds are met. The Company shall notify the Trustee promptly of each new Senior Facility Guarantor.

The first paragraph of this covenant will not be applicable to any guarantees of any Restricted Subsidiary:

(1) existing on the Issue Date;

(2) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(3) given to a bank or trust company having combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the benefit of the Company or any of its Restricted Subsidiaries; or

(4) arising solely due to the granting of a Permitted Lien that would not otherwise constitute a guarantee of Indebtedness of the Company or any Senior Facility Guarantor.

Each additional guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable

preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing, the Company shall not be obligated to cause such Restricted Subsidiary to guarantee the Obligations of the Company under the Additional C2 Facility Loan to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Company or the Restricted Subsidiary or any liability for the officers, directors or shareholders of such Restricted Subsidiary.

Payments for Consent

The Issuer will not and the Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, to exclude holders of Notes in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an exchange offer or an offer to purchase for cash, or (ii) the payment of the consideration therefor would require the Issuer, the Company or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Issuer and the Company in their sole discretion determine (acting in good faith) (A) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction) or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Lines of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries, taken as a whole.

Acquisition of the Additional C2 Facility Loan and Grant of Additional Security

On or before October 26, 2012, the Issuer will use the net proceeds from the offering of the Notes to fund a sub-participation in the Additional C2 Facility Loan made by the Lending Bank to the Company on the Loan Funding Date pursuant to the terms of the Sub-Participation Agreement. On the Loan Funding Date, the Issuer will exercise its right under the Sub-Participation Agreement to acquire the Additional C2 Facility Loan from the Lending Bank, unless the Additional C2 Facility Loan was already transferred to the Issuer on such date, to accede, on such date, to the Intercreditor Agreement and to grant, on such date, the Loan Assignment in favor of the Security Agent for the benefit of the Trustee and the holders of the Notes.

On no later than one Business Day after the issuance of any Additional Notes, unless the Issuer has loaned to the net proceeds of such issuance of Additional Notes to the Company or another Senior Facility Borrower pursuant to an Additional C Facility Loan (or a tranche of the Additional C2 Facility Loan), the Issuer will use the net proceeds from such issuance of Additional Notes to fund a

sub-participation in an Additional C Facility Loan (or tranche of the Additional C2 Facility Loan) made by a financial intermediary to the Company on the date on which such Additional C Facility Loan (or tranche of the Additional C2 Facility Loan) is made (each such date, a "*Subsequent Loan Funding Date*") pursuant to the terms of a sub-participation agreement substantially on the same terms as the Sub-Participation Agreement (modified to reflect the Additional C Facility Loan (or tranche of the Additional C2 Facility Loan) related thereto). On each Subsequent Loan Funding Date, the Issuer will exercise its right under the relevant sub-participation agreement to acquire such Additional C Facility Loan (or tranche of the Additional C2 Facility Loan) from such financial intermediary, unless such Additional C Facility Loan (or tranche of the Additional C2 Facility Loan) was already transferred to the Issuer on such date, and to grant, on such date, an assignment of such Additional C Facility Loan (or tranche of the Additional C2 Facility Loan) in favor of the Security Agent for the benefit of the Trustee and the holders of the Notes.

The Issuer will execute any documents, agreements, deeds or instruments as may be appropriate, relevant or in relation with the undertakings mentioned in this covenant and take any steps necessary to implement such undertakings.

Limitation on Issuer Activities

The Issuer will not engage in any business activity or undertake any other activity, except any activity:

(1) relating to the offering, sale or issuance of the Notes, any Additional Notes and any Additional Issuer Debt permitted to be incurred under the Indenture (including the lending, directly or indirectly, of the proceeds of such sale of the Notes, any Additional Notes or any Additional Issuer Debt to one or more Senior Facility Borrowers pursuant to the Additional C2 Facility Loan or any other Additional C Facility Loan, including through the sub-participation into such loans);

(2) undertaken with the purpose of, and directly related to, fulfilling its obligations or exercising its rights under the Notes, the Indenture, the Note Security Documents, the Senior Facility Agreement, the Intercreditor Agreement, the Senior Subordinated Notes Intercreditor Agreement, the Collateral Sharing Agreement, the Additional C2 Facility Commitment Letter (and any commitment letter related to any other Additional C Facility Loan), the Covenant Agreement, any Senior Finance Document, the Sub-Participation Agreement or any other document relating to the Notes, Additional Notes, the Additional C2 Facility Loan, any other Additional C Facility Loans, the Sub-Participation Agreement or such Additional Issuer Debt permitted to be incurred under the Indenture, including the Incurrence of Permitted Issuer Liens and the making of Permitted Issuer Investments;

(3) directly related to or reasonably incidental to the establishment and maintenance of the Issuer's corporate existence; or

(4) directly related to investing amounts received by the Issuer (other than amounts not corresponding to required payments under the Notes) in such manner not otherwise prohibited by the Indenture.

The Issuer shall not:

(1) issue any Capital Stock (other than to the Parents);

(2) take any action which would cause it to no longer satisfy the requirements of an available exemption from the provisions of the U.S. Investment Company Act of 1940, as amended;

(3) commence or take any action or facilitate a winding-up, liquidation, dissolution or other analogous proceeding;

(4) amend its constitutive documents in any manner which would adversely affect the rights of holders of the Notes in any material respect; or

(5) transfer or assign any Additional C2 Facility Loan or any of its rights under the Senior Facility Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Senior Subordinated Notes Intercreditor Agreement or any Additional Senior Subordinated Notes Intercreditor Agreement, except pursuant to the Note Security Documents.

Except as otherwise provided in the Indenture, the Issuer will take all actions necessary and within its power to prohibit the transfer of the issued ordinary shares and management share in the Issuer by the Parents, other than pursuant to the Issuer Share Pledge or the enforcement of such Issuer Share Pledge in accordance with the Collateral Sharing Agreement.

For so long as any Notes are outstanding, the Issuer will take any action reasonably necessary to maintain its status as a pass-through entity for U.S. federal tax purposes.

Whenever the Issuer receives a payment or prepayment under the Additional C2 Facility Loan, it shall use the funds received solely to satisfy its obligations (to the extent of the amount owing in respect of such obligations) under the Indenture (including any premium paid to holders of the Notes).

The Issuer will use its reasonable best efforts to comply with its obligations under the Senior Finance Documents.

Limitations on Amendments to Senior Finance Documents

Except pursuant to the provisions of the Indenture described under "Amendment, Supplement and Waiver", the Company and the Issuer shall not, and the Company shall not permit any of its Restricted Subsidiaries to, amend, modify, supplement, waive or alter any Senior Finance Document, including any terms and conditions of the Senior Facility Agreement and the Additional C2 Facility Loan, in any way to:

(1) reduce the principal amount of the Additional C2 Facility Loan to the extent the principal amount would be less than the then outstanding aggregate principal amount of the Notes;

(2) reduce the principal of or change the fixed maturity of the Additional C2 Facility Loan or alter the provisions with respect to the repayment of the Additional C2 Facility Loan in any manner which would not permit repayment of the Notes upon a redemption or repayment event with respect thereto;

(3) reduce the rate of or change the time for payment of interest, including default interest, on the Additional C2 Facility Loan;

(4) waive a default or event of default in the payment of principal of, or interest or premium, or other amounts on, the Additional C2 Facility Loan (except to the extent such waiver has been given under the terms of the Indenture in relation to the corresponding or equivalent default or event of default under the Indenture, or to the extent there has been an acceleration on the Additional C2 Facility Loan due to an acceleration of the Notes, to the extent there has been a rescission of acceleration of the Notes in accordance with the terms of the Indenture by the requisite holders of Notes) or change the provisions of sub-clause (d) of Clause 22.18 (Acceleration) of the Senior Facility Agreement;

(5) make the Additional C2 Facility Loan payable in money other than the money for which corresponding amounts are payable on the Notes;

(6) make any change in the provisions of the Senior Facility Agreement relating to waivers of past defaults or the rights of the Issuer as the Additional C2 Facility Lender, in each case related

or relating to, as the case may be, the receipt of payments of principal of, or interest or premium or additional amounts (if any) on, the Additional C2 Facility Loan;

(7) waive a prepayment with respect to the Additional C2 Facility Loan to the extent there is a corresponding redemption or repurchase payment due with respect to any Note;

(8) amend, modify or waive any provisions of any Senior Finance Document (including the Intercreditor Agreement and the Senior Subordinated Notes Intercreditor Agreement) relating to any other rights and obligations of the Issuer as the Additional C2 Facility Lender in its capacity as such in any manner materially adverse to the interests of the holders of the Notes or the Additional C2 Facility Lender, other than any amendment or waiver which constitutes a procedural or administrative change in connection with the provisions of the Senior Facility Agreement relating to Additional C2 Facility; provided that (a) the amendment or modification of the Intercreditor Agreement, the Senior Subordinated Notes Intercreditor Agreement, any Additional Intercreditor Agreement or any Additional Senior Subordinated Notes Intercreditor Agreement in accordance with the terms of the covenant described under "Additional Collateral Sharing Agreements, Intercreditor Agreements and Senior Subordinated Notes Intercreditor Agreements" will not be deemed to be materially adverse to the interests of the holders of the Notes or the Additional C2 Facility Lender and (b) any amendment or modification of the Senior Facility Agreement and any other related Senior Facility Document pursuant to the terms of the Covenant Agreement as described in the third paragraph under the caption "Additional C2 Facility, the Additional C2 Facility Loan and the Senior Facility Agreement" will not be deemed to be materially adverse to the interests of the holders of the Notes or the Additional C2 Facility Lender, *provided* that the Issuer's voting rights as the Additional C2 Facility Lender under the Senior Facility Agreement, including those with respect to any such amendments, shall be governed by the Voting Undertaking until such time as all of the Senior Facilities (other than the Additional C Facility) under the Senior Facility Agreement are repaid in full; and

(9) amend, modify or waive any provisions of any Senior Finance Document other than in accordance with the terms of the Senior Facility Agreement and the Voting Undertaking.

Minimum Period for Voting under the Senior Facility Agreement

In the event that the Issuer (in its capacity as the Additional C2 Facility Lender) is eligible or required to vote (or otherwise consent) (including with respect to any enforcement action in respect of the Senior Facility Collateral) with respect to any matter arising from time to time under the Senior Facility Agreement on which the holders of the Notes are entitled to direct the vote of the Issuer in accordance with the Voting Undertaking (a "*Senior Facility Agreement Decision*"), the Company will use its reasonable efforts to procure that the period during which the Issuer, as the Additional C2 Facility Lender, will be eligible to validly vote (or otherwise consent) with respect to any such Senior Facility Agreement Decision will not be less than 15 Business Days from the date when written request for such Senior Facility Agreement Decision is made to the lenders under the Senior Facility Agreement. The Issuer will distribute to holders of the Notes or otherwise make available (including through the facilities of Euroclear and Clearstream) all documents related to any such Senior Facility Agreement Decision provided to the Issuer as the Additional C2 Facility Lender, within three Business Days after the date when written request for such Senior Facility Agreement Decision is made to the lenders under the Senior Facility Agreement.

Impairment of Security Interest

The Issuer will not take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the Note

Collateral (it being understood that the incurrence of Liens on the Note Collateral permitted by clauses (2) and (3) of the definition of Permitted Issuer Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Note Collateral) for the benefit of the Trustee and the holders of the Notes, and the Issuer will not grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Note Security Documents, any interest whatsoever in any of the Note Collateral other than, in the case of Shared Note Collateral, Liens described in clauses (2) and (3) of the definition of Permitted Issuer Liens; provided that (a) nothing in this provision shall restrict the discharge or release of the Note Collateral in accordance with the Indenture, the Note Security Documents and the Collateral Sharing Agreement and (b) the Issuer may incur Permitted Issuer Liens; and provided further, however, that no Note Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced, refinanced or released (followed by an immediate retaking of the Note Collateral subject to such Note Security Document with the same priority as immediately prior to such release), unless contemporaneously with such amendment, extension, renewal, restatement, supplement, modification, replacement, refinancing or release, the Issuer delivers to the Trustee either (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Trustee confirming the solvency of the Issuer after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release, (2) a certificate from the board of directors or chief financial officer of the Issuer (acting in good faith) that confirms the solvency of the Issuer after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification, replacement or release, or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release, the Lien or Liens securing the Notes created under the Note Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the Senior Facility Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Issuer as the Additional C2 Facility Lender, and the Company will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Senior Facility Security Agent, for the benefit of the Issuer as the Additional C2 Facility Lender and the other beneficiaries described in the Senior Facility Security Documents and the Intercreditor Agreement, any interest whatsoever in any of the Senior Facility Collateral; provided that (a) nothing in this provision shall restrict the discharge or release of the Senior Facility Collateral in accordance with the Indenture, the Senior Facility Security Documents, the Intercreditor Agreement and the Senior Subordinated Notes Intercreditor Agreement and (b) the Company and its Restricted Subsidiaries may incur Permitted Collateral Liens; and provided further, however, that no Senior Facility Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), unless contemporaneously with such amendment, extension, renewal, restatement, supplement, modification, replacement or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Company delivers to the Trustee one of (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form

and substance reasonably satisfactory to the Trustee confirming the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release and retaking, (2) a certificate from the board of directors or chief financial officer of the relevant Person (acting in good faith) that confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification, replacement or release and retaking, or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Lien or Liens securing the Additional C2 Facility Loan created under the Senior Facility Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the direction of the Company and without the consent of the Additional C2 Facility Lender, the Senior Facility Security Agent may from time to time enter into one or more amendments to the Senior Facility Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) (but subject to compliance with paragraph (a) above) provide for Permitted Collateral Liens, (iii) add to the Senior Facility Collateral or (iv) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect.

In the event that the Company complies with this covenant, the Trustee, the Security Agent and the Senior Facility Security Agent shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking with no need for instructions from the Additional C2 Facility Lender or holders of the Notes, as the case may be.

Further Assurances

The Company will, and will procure that each of its Subsidiaries will, at its own expense, execute and do all such acts and things and provide such assurances as the Senior Facility Security Agent may reasonably require (i) for registering any Senior Facility Security Documents in any required register and for perfecting or protecting the security intended to be afforded by such Senior Facility Security Documents; and (ii) if such Senior Facility Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Senior Facility Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Senior Facility Security Agent or in any receiver of all or any part of those assets. The Company will, and will procure that each of its Subsidiaries will, execute all transfers, conveyances, assignments and releases of that property whether to the Senior Facility Security Agent or to its nominees and give all notices, orders and directions which the Senior Facility Security Agent may reasonably request.

Additional Collateral Sharing Agreements, Intercreditor Agreements and Senior Subordinated Notes Intercreditor Agreements

At the request of the Issuer, at the time of, or prior to, the Incurrence of any Indebtedness that is permitted to share the Shared Note Collateral, the Issuer, the Trustee and the Security Agent will (without the consent of the holders of the Notes) enter into an additional collateral sharing agreement (each an "*Additional Collateral Sharing Agreement*") on terms substantially similar to the Collateral Sharing Agreement (or more favorable to the holders of the Notes) or an amendment to or an amendment and restatement of the Collateral Sharing Agreement (which amendment does not adversely affect the rights of holder of the Notes); provided that such Collateral Sharing Agreement or

Additional Collateral Sharing Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities, protections, indemnities or immunities of the Trustee under the Indenture, the Collateral Sharing Agreement or any Additional Collateral Sharing Agreement.

At the request of the Company, at the time of, or prior to, the incurrence of any Indebtedness that is permitted to share the Senior Facility Collateral, the Senior Facility Obligors, the Issuer as the Additional C2 Facility Lender and the Senior Facility Security Agent will (without the consent of the Additional C2 Facility Lender) enter into an additional intercreditor agreement (each an "*Additional Intercreditor Agreement*") on terms substantially similar to the Intercreditor Agreement (or more favorable to the Additional C2 Facility Lender) or an amendment to or an amendment and restatement of the Intercreditor Agreement (which amendment does not adversely affect the rights of the Additional C2 Facility Lender).

At the request of the Company, at the time of, or prior to, the incurrence of any Indebtedness that is subordinated in right of payment to the Additional C2 Facility Loan, the Senior Facility Obligors and the Senior Facility Security Agent will (without the consent of the Additional C2 Facility Lender) enter into the Senior Subordinated Notes Intercreditor Agreement or any additional senior subordinated notes intercreditor agreement (each an "*Additional Senior Subordinated Notes Intercreditor Agreement*") on terms substantially similar to the Senior Subordinated Notes Intercreditor Agreement (or more favorable to the Additional C2 Facility Lender) or an amendment to or an amendment and restatement of the Senior Subordinated Notes Intercreditor Agreement (which amendment does not adversely affect the rights of the Additional C2 Facility Lender).

The Indenture will provide that each holder of a Note, by accepting such Note, will be deemed to have agreed to and accepted the terms and conditions of each Collateral Sharing Agreement, Additional the Collateral Sharing Agreement, Intercreditor Agreement, Additional Intercreditor Agreement, Senior Subordinated Notes Intercreditor Agreement, Additional Senior Subordinated Notes Intercreditor Agreement and any amendment referred to in the preceding paragraphs and none of the Issuer, the Trustee, the Security Agent, the Company or the Senior Facility Security Agent will be required to seek the consent of any holders of Notes to perform its obligations under and in accordance with this covenant. At the request of the Company, the Issuer will execute any Additional Collateral Sharing Agreement, Additional Intercreditor Agreement, Additional Senior Subordinated Notes Intercreditor Agreement or amendment or amendment and restatement of the Collateral Sharing Agreement, the Intercreditor Agreement or the Senior Subordinated Notes Intercreditor Agreement that complies with the provisions of this covenant.

Suspension of Covenants when Notes Rated Investment Grade

If on any date following the Issue Date:

(1) the Notes have achieved Investment Grade Status; and

(2) no Default or Event of Default shall have occurred and be continuing on such date,

then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (such period, the "*Suspension Period*"), the covenants specifically listed under the following captions in this "Description of the Notes" will no longer be applicable to the Notes and any related default provisions of the Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries:

(1) "—Repurchase at the Option of Holders—Asset Sales";

(2) "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(3) "—Restricted Payments";

(4) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(5) clause (4) of the second paragraph of the covenant described under "—Merger, Consolidation or Sale of Assets";

(6) "—Transactions with Affiliates"; and

(7) "—Designation of Restricted and Unrestricted Subsidiaries".

Such covenants will not, however, be of any effect with regard to the actions of Company and the Restricted Subsidiaries properly taken during the continuance of the Suspension Period; *provided* that (1) with respect to the Restricted Payments made after any such reinstatement, the amount of Restricted Payments will be calculated as though the covenant described under the caption "—Restricted Payments" had been in effect prior to, but not during, the Suspension Period and (2) all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the third paragraph of the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock". Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

The Issuer shall notify the Trustee that the two conditions set forth in the first paragraph under this heading have been satisfied, provided that such notification shall not be a condition for the suspension of the covenants set forth above to be effective.

Reports

So long as any Notes are outstanding, the Company will furnish to the Trustee:

(1) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ending December 31, 2012, annual reports containing the following information with a level of detail that is substantially comparable and similar in scope to this Offering Memorandum: (a) audited consolidated balance sheet of the Company as of the end of the most recent fiscal year (and comparative information as of the end of the prior fiscal year) and audited consolidated income statement and statement of cash flow of the Company for the most recent fiscal year, including footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any material acquisitions or dispositions (including, without limitation, any acquisitions or disposition that, individually or in the aggregate when considered with all other acquisition or dispositions that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, represent greater than 20% of the consolidated revenues, EBITDA, or assets of the Company on a *pro forma* basis) or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations (including a discussion by business segment, if any), financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the industry, business, management and shareholders of the Company, all material affiliate transactions, Indebtedness and material financing arrangements and a description of all material contractual arrangements, including material debt instruments; and (e) material risk factors and material recent developments;

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Company beginning with the fiscal quarter ending September 30, 2012, quarterly reports containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the quarterly and year to date periods ending on the unaudited condensed balance sheet date, and the comparable prior year periods for the Company, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information, together with explanatory footnotes, for any material acquisitions or dispositions (including, without limitation, any acquisition or disposition that, individually or in the aggregate when considered with all other acquisitions or dispositions that have occurred since the beginning of the most recent completed fiscal quarter as to which such quarterly report relates, represents greater than 20% of the consolidated revenues, EBITDA or assets of the Company on a *pro forma* basis) or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report relates in each case unless *pro forma* information has been provided in a previous report pursuant to clause (1), (2) or (3) of this covenant; (c) an operating and financial review of the unaudited financial statements (including a discussion by business segment), including a discussion of the consolidated financial condition and results of operations of the Company and any material change between the current quarterly period and the corresponding period of the prior year; and (d) material recent developments in the business of the Company and its Subsidiaries; and (e) any material changes to the risk factors disclosed in the most recent annual report with respect to the Company; and

(3) promptly after the occurrence of (a) a material acquisition, disposition or restructuring (including any acquisition or disposition that would require the delivery of *pro forma* financial information pursuant to clauses (1) or (2) above); (b) any senior management change at the Company; (c) any change in the auditors of the Company; (d) the entering into an agreement that will result in a Change of Control; or (e) any material events that the Company announces publicly, in each case, a report containing a description of such events,

provided, *however*, that the reports set forth in clauses (1), (2) and (3) above will not be required to (i) contain any reconciliation to U.S. generally accepted accounting principles or (ii) include separate financial statements for any Senior Facility Guarantors or non-guarantor Subsidiaries of the Company.

So long as any Notes are outstanding, the Issuer will furnish to the Trustee within 120 days following the end of each fiscal year, beginning with the fiscal year ending December 31, 2012, (a) an audited balance sheet of the Issuer as of the end of the most recent fiscal year (or such shorter time as the Issuer has been in existence), and comparative information as of the end of the prior fiscal year, and audited consolidated income statement and statement of cash flow of the Issuer for the most recent fiscal year, including footnotes to such financial statements and the report of the independent auditors on the financial statements; and (b) financial statements and such other information as is required to be filed with the Irish Stock Exchange.

If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Subsidiaries are Significant Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

All financial statements shall be prepared in accordance with IFRS. Except as provided for above, no report need include separate financial statements for the Company or Subsidiaries of the Company

or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this offering memorandum.

In addition, for so long as any Notes remain outstanding and during any period during which the Issuer is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer has agreed that it will, furnish to the holders of the Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

The Company will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant (i) on the Company's or one of its Subsidiary's website and (ii) if and so long as the Notes are listed on the Global Exchange Market and the rules of the Irish Stock Exchange so require, at the specified office of the Listing Agent in Dublin.

So long as any Notes are outstanding, the Company will also:

(1) within 10 Business Days after furnishing to the Trustee the annual and quarterly reports required by clause (1) and (2) of the first paragraph of this covenant, hold a conference call to discuss such reports and the results of operations for the relevant reporting period;

(2) issue a press release to an internationally recognized wire service no fewer than three Business Days prior to the date of the conference call required by the foregoing clause (1) of this paragraph, announcing the time and date of such conference call and either including all information necessary to access the call or directing holders of the Notes, prospective investors, broker dealers and securities analysts to contact the appropriate person at the Company or the Issuer to obtain such information.

Events of Default and Remedies

Each of the following is an "*Event of Default*":

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Issuer, the Company or relevant Senior Facility Obligor to comply with the provisions described under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets" and "—Minimum Period for Voting under the Senior Facility Agreement";

(4) failure by the Issuer, the Company or relevant Senior Facility Obligor for 60 days after written notice to the Issuer and the Company by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the agreements in the Indenture, the Notes, the Notes Security Documents, the Covenant Agreement, the Intercreditor Agreement or the Collateral Sharing Agreement (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3));

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer, the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by

the Company or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness at the Stated Maturity thereof prior to the expiration of the grace period *provided* in such Indebtedness on the date of such default (a "*Payment Default*"); or

(b) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €25.0 million or more;

(6) failure by the Issuer, the Company or any Restricted Subsidiary to pay final judgments (not subject to appeal) entered by a court or courts of competent jurisdiction aggregating in excess of €25.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;

(7) (i) any security interest created by the Note Security Documents or the Senior Facility Security Documents (and with respect to Senior Facility Collateral having a Fair Market Value in excess of €5.0 million) ceases to be in full force and effect (except as permitted by the terms of the Indenture, the Note Security Documents, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Senior Facility Security Documents), or an assertion by the Issuer, the Company or any of its Restricted Subsidiaries that any Note Collateral or any Senior Facility Collateral (having a Fair Market Value in excess of €5.0 million) is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture, the Note Security Documents, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Senior Facility Security Documents); or (ii) the repudiation by the Issuer, the Company or any of its Restricted Subsidiaries of any of any of their respective material obligations under any Note Security Documents or any Senior Facility Security Documents;

(8) except as permitted by the Indenture, any Senior Facility Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Senior Facility Guarantor, or any Person acting on behalf of any Senior Facility Guarantor, denies or disaffirms its obligations under its Senior Facility Guarantee;

(9) the Additional C2 Facility Loan or the Senior Facility Agreement ceases to be in full force and effect or the Additional C2 Facility Loan or the Senior Facility Agreement is declared null and void or unenforceable or the Additional C2 Facility Loan or the Senior Facility Agreement is found to be invalid or any Company denies its liabilities under it's the Additional C2 Facility Loan or the Senior Facility Agreement or payments under the Additional C2 Facility Loan become subject to any other Lien; and

(10) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer, the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together (as of the latest consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary.

In the event the occurrence of any Default or Event of Default described in clauses (3) and (4) above with respect to any covenant, agreement or undertaking in the Indenture or the Notes applicable to any Senior Facility Obligor, such Senior Facility Obligor will be deemed to be in default of its corresponding obligations under the Covenant Agreement.

Remedies under the Indenture

In the case of an Event of Default specified in clause (10) of the first paragraph of "—Events of Default and Remedies", all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee, and the Trustee has received, indemnity or security satisfactory to it against any loss, liability or expense. Except (subject to the provisions described under "—Amendment, Supplement and Waiver") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee, and the Trustee has received, security or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer and receipt of security or indemnity; and

(5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The holders of not less than a majority in aggregate principal amount of the Notes outstanding may, on behalf of the holders of all outstanding Notes, waive any past default under the Indenture and its consequences, except a continuing default in the payment of the principal of premium, if any, any Additional Amounts or interest on any Note held by a non-consenting holder (which may only be waived with the consent of holders of at least 90% of the aggregate principal amount of the then outstanding Notes.

The Issuer and the Company are each required to deliver to the Trustee annually a statement regarding compliance with the Indenture.

Remedies under the Senior Facility Agreement

Whenever payment under the Notes has been accelerated due to an Event of Default under the Indenture, the Issuer shall, by immediate notice to the Company:

(1) declare that an event of default under the Senior Facility Agreement has occurred in respect of the Additional C2 Facility Loan;

(2) cancel all of the commitments under the Senior Facility Agreement with respect to the Additional C2 Facility Loan;

(3) declare that all amounts outstanding under the Additional C2 Facility Loan are immediately due and payable; and

(4) make a claim under Clause 24 (Guarantee and indemnity) of the Senior Facility Agreement to each Senior Facility Guarantor for all of the amounts outstanding under the Additional C2 Facility Loan.

The Senior Facility Agreement and the Voting Undertaking place certain restrictions on the voting rights of the Issuer with respect to an enforcement action in respect of the Senior Facility Collateral. For further details, see "—Additional C2 Facility, the Additional C2 Facility Loan and the Senior Facility Agreement—Voting Rights under the Senior Facility Agreement".

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer, the Company or any Senior Facility Guarantor, as such, will have any liability for any obligations of the Issuer, the Company or any Senior Facility Guarantor or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Legal Defeasance and Covenant Defeasance

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, instruct the Issuer to, and upon receipt of such instruction the Issuer will, elect to have all of its obligations discharged with respect to the outstanding Notes discharged ("*Legal Defeasance*") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest (including Additional Amounts) or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, instruct the Issuer to, and upon receipt of such instruction the Issuer will, elect to have the obligations of the Issuer released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the Indenture ("*Covenant Defeasance*") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, all Events of Default described under "—Events of Default and Remedies" (except those relating to payments on the Notes or, solely with respect to the Issuer and the Company, bankruptcy or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in euros, non-callable European Government Obligations or a combination of cash in euros and non-callable European Government Obligations, in amounts as will be

sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest (including Additional Amounts and premium, if any) on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee an opinion reasonably acceptable to the Trustee of United States counsel confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee an opinion reasonably acceptable to the Trustee of United States counsel confirming that the holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) the Issuer must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

(5) the Issuer must deliver to the Trustee an Officer's Certificate and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided otherwise in the succeeding paragraphs, the Indenture, the Notes, Covenant Agreement, the Note Security Documents, the Senior Facility Security Documents, the Collateral Sharing Agreement, the Additional C2 Facility Loan, the Voting Undertaking, any Additional Collateral Sharing Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Senior Subordinated Notes Intercreditor Agreement or any Additional Senior Subordinated Notes Intercreditor Agreement may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, Covenant Agreement, the Note Security Documents, the Senior Facility Security Documents, the Collateral Sharing Agreement, the Additional C2 Facility Loan, the Voting Undertaking, any Additional Collateral Sharing Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Senior Subordinated Notes Intercreditor Agreement or any Additional Senior Subordinated Notes Intercreditor Agreement may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided*, *however* that if any amendment, supplement, waiver or other modification or consent will only affect the Fixed Rate Notes or the Floating Rate Notes, only the consent of the holders of at least a majority in aggregate

principal amount of the Fixed Rate Notes or Floating Rate Notes then outstanding (and not the consent of at least a majority of all Notes then outstanding), as the case may be, shall be required.

Unless consented to by the holders of at least 90% of the aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), without the consent of each holder of Notes affected (*provided*, *however* that if any amendment, supplement, waiver or other modification or consent will only affect the Fixed Rate Notes or the Floating Rate Notes, only the consent of the holders of at least 90% of the aggregate principal amount of the then outstanding Fixed Rate Notes or Floating Rate Notes (and not the consent of at least 90% of the aggregate principal amount of all Notes then outstanding), as the case may be, shall be required), an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting holder):

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "—Repurchase at the Option of Holders");

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) impair the right of any holder of Notes to receive payment of principal of and interest on such holder's Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(5) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(6) make any Note payable in money other than that stated in the Notes;

(7) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, Additional Amounts or premium, if any, on, the Notes;

(8) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "—Repurchase at the Option of Holders");

(9) change the ranking of the Notes, the Additional C2 Facility Loan or any Senior Facility Guarantee in respect of the Additional C2 Facility Loan;

(10) release any Note Collateral granted for the benefit of the holders of the Notes, except in accordance with the terms of the Indenture, the Note Security Documents and the Collateral Sharing Agreement;

(11) release any Senior Facility Guarantor from any of its Obligations under its Senior Facility Guarantee, except in accordance with the terms of the Indenture;

(12) release any Senior Facility Collateral granted for the benefit of the Additional C2 Facility Loan, except in accordance with the terms of the Indenture;

(13) amend or waive any Secured Finance Document as described in clauses (1) through (7) under "—Certain Covenants—Limitations on Amendments to Senior Finance Documents" or amend or waive any provisions of clauses (1) through (7) of the covenant of the Indenture described

under "—Certain Covenants—Limitations on Amendments to Senior Finance Documents" or amend or waive any corresponding obligations of the Senior Facility Obligors under the Covenant Agreement;

(14) amend or waive any provision of the Voting Undertaking in any manner materially adverse to the holders of the Notes; or

(15) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Issuer, the Company, the Trustee, the Security Agent, the Senior Agent and the Senior Facility Security Agent (as applicable) may amend or supplement the Indenture, the Notes, the Covenant Agreement, the Note Security Documents, the Senior Facility Security Documents, the Collateral Sharing Agreement, the Additional C2 Facility Loan, the Voting Undertaking, any Additional Collateral Sharing Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Senior Subordinated Notes Intercreditor Agreement or any Additional Senior Subordinated Notes Intercreditor Agreement:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's or a Senior Facility Guarantor's obligations under the Senior Facility Agreement and the Covenant Agreement in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Senior Facility Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect;

(5) to conform the text of the Indenture, the Note Guarantees, the Note Security Documents, or the Notes to any provision of this "Description of the Notes" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Note Guarantees, the Notes Security Documents, or the Notes;

(6) to enter into additional or supplemental Note Security Documents;

(7) to release any Senior Facility Guarantee in accordance with the terms of the Indenture;

(8) to release the Note Collateral or the Senior Facility Collateral in accordance with the terms of the Indenture;

(9) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date; or

(10) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture.

The consent of the holders of Notes is not necessary under the Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed amendment.

In formulating its opinion on such matters, the Trustee shall be entitled to rely absolutely on such evidence as it deems appropriate, including an opinion of counsel and an Officer's Certificate.

The provisions relating to meetings of holders of Notes at Article 86 to 94-8 of the Luxembourg Act of 10 August 1915 on commercial companies, as amended, will not apply in respect of the Notes.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in euros, non-callable European Government Obligations or a combination of cash in euros and non-callable European Government Obligations, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) the Issuer has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

Judgment Currency

Any payment on account of an amount that is payable in euros which is made to or for the account of any holder or the Trustee in lawful currency of any other jurisdiction (the "*Judgment Currency*"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer, shall constitute a discharge of the Issuer obligation under the Indenture and the Notes only to the extent of the amount of euros with such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of euros that could be so purchased is less than the amount of euros originally due to such holder or the Trustee, as the case may be, the Issuer shall indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Concerning the Trustee

Each of the Issuer and the Company shall deliver written notice to the Trustee within thirty (30) days of becoming aware of the occurrence of a Default or an Event of Default. The Trustee will be permitted to engage in other transactions with the Issuer, the Company or any Restricted Subsidiary; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

The Issuer will indemnify the Trustee for certain claims, liabilities and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with its duties.

Listing

Application has been made to list the Notes on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market. There can be no assurance that the application to list the Notes on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market will be approved and settlement of the Notes is not conditioned on obtaining this listing.

Additional Information

Anyone who receives this Offering Memorandum, any holder of Notes or holder of any beneficial interest in the Notes may, following the Issue Date, obtain a copy of the Indenture, the form of Note, the Note Security Documents, the Collateral Sharing Agreement, any Additional Collateral Sharing Agreement, the Senior Facility Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement, the form of Senior Subordinated Notes Intercreditor Agreement, any Additional Senior Subordinated Notes Intercreditor Agreement, the Covenant Agreement and the Voting Undertaking without charge by writing to the Issuer and/or the Company at the addresses below:

Numericable Finance & Co. S.C.A.
13-15 Avenue de la Liberté
L-1931 Luxembourg
Attn: Directors

Ypso France S.A.S.
10 rue Albert Einstein
77420 Champs-sur-Marne
France
Attn: Martin Douxami

So long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange shall so require, copies of the financial statements included in this offering memorandum may be obtained, free of charge, during normal business hours at the offices of the Listing Agent in Dublin.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer will appoint CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, New York 10011, USA as its agent for service of process in any suit, action or proceeding with respect to the Indenture and the Notes brought in any U.S. federal or New York state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

All of the assets of the Issuer are outside the United States. As a result, any judgment obtained in the United States against the Issuer may not be collectable within the United States. See "Enforcement of Judgments".

Prescription

Claims against the Issuer for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"*Acquired Debt*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Additional C Facility*" means a C (Additional Senior Financing) Facility (as defined under the Senior Facility Agreement).

"*Additional C Facility Loan*" means a C (Additional Senior Financing) Facility Advance (as defined under the Senior Facility Agreement) advanced by the Issuer or a financial intermediary acting as a lender under the Senior Facility Agreement to the Company pursuant to the Senior Facility Agreement and acquired by the Issuer on or about the date on which the Issuer incurs Additional Notes or Additional Issuer Debt (as applicable).

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control", as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling", "controlled by" and "under common control with" have correlative meanings.

"*Altice*" means Mr. Patrick Drahi and:

(1) immediate family members of Mr. Patrick Drahi and persons who are his *ayants cause* and *ayants droit*;

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or persons holding a controlling interest of which consists of one or more of Mr. Patrick Drahi and/or such other persons referred to in the preceding paragraph (1) of this definition; and

(3) any Affiliate of any one or more of the persons described in paragraphs (1) or (2) of this definition (treating any such persons as acting in concert for the purposes of determining control) and any trust, fund, corporation, partnership, limited liability company or other entity managed or advised by any such Affiliate or by any other person referred to in paragraph (1) or (2) of this definition.

"*Applicable Premium*" means:

(1) means, with respect to any Fixed Rate Note on any redemption date, the greater of:

(a) 1.0% of the principal amount of the Fixed Rate Note; or

(b) the excess of:

(i) the present value at such redemption date of (i) the redemption price of the Fixed Rate Note at February 15, 2016, (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption—Fixed Rate Notes") plus (ii) all required interest payments due on the Fixed Rate Note through February 15, 2016 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

(ii) the principal amount of the Fixed Rate Note; and

(2) means, with respect to any Floating Rate Note on any redemption date, the greater of:

(a) 1.0% of the principal amount of the Floating Rate Note; or

(b) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Floating Rate Note at October 15, 2013, (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption—Floating Rate Notes") plus (ii) all required interest payments due on the Note through October 15, 2013 (excluding accrued but unpaid interest to the redemption date and assuming that the interest rate per annum on the Floating Rate Note applicable on the date on which notice of redemption was given was in effect for the entire period), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of the Floating Rate Note.

For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee or the Paying Agent.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets by the Company or any of its Restricted Subsidiaries; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "—Repurchase at the Option of Holders—Change of Control" and/or the provisions described above under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets" and

not by the provisions described under the caption "—Repurchase at the Option of Holders—Asset Sales"; and

(2) the issuance of Equity Interests by any Restricted Subsidiary or the sale by the Company or any of its Restricted Subsidiaries of Equity Interests in any of the Company's Subsidiaries (in each case, other than directors' qualifying shares).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than €10.0 million;

(2) a transfer of assets or Equity Interests between or among the Company and any Restricted Subsidiary;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Company or to a Restricted Subsidiary;

(4) the sale, lease or other transfer of accounts receivable, inventory, trading stock, communications capacity and other assets (including any real or personal property) in the ordinary course of business (including the abandonment or other disposition of intellectual property that is, in the reasonable judgment of the Company, no longer economically practicable to maintain or useful in the conduct of business of the Company and its Restricted Subsidiaries taken as a whole);

(5) licenses and sublicenses by the Company or any of its Restricted Subsidiaries of software or intellectual property in the ordinary course of business;

(6) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(7) the granting of Liens not prohibited by the covenant described above under the caption "—Liens";

(8) the sale or other disposition of cash or Cash Equivalents;

(9) a Restricted Payment that does not violate the covenant described above under the caption "—Certain Covenants—Restricted Payments", a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;

(10) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(12) the disposition of assets to a Person who is providing services (the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person) related to such assets;

(13) any sale or other disposition of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(14) any sale, transfer or other disposition of Securitization Assets and related assets in connection with any Qualified Securitization Financing or in the ordinary course of business; and

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition.

"*Asset Sale Offer*" has the meaning assigned to that term in the Indenture governing the Notes.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Bund Rate*" means, as of any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(1) "*Comparable German Bund Issue*" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to February 15, 2016 (in the case of the Fixed Rate Notes) or October 15, 2013 (in the case of the Floating Rate Notes), and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to February 15, 2016 (in the case of the Fixed Rate Notes) or October 15, 2013 (in the case of the Floating Rate Notes); *provided*, *however*, that, if the period from such redemption date to February 15, 2016 (in the case of the Fixed Rate Notes) or October 15, 2013 (in the case of the Floating Rate Notes) is less than one year, a fixed maturity of one year shall be used;

(2) "*Comparable German Bund Price*" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Company obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "*Reference German Bund Dealer*" means any dealer of German Bundesanleihe securities appointed by the Company in good faith; and

(4) "*Reference German Bund Dealer Quotations*" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Company of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany time on the third Business Day preceding the relevant date.

"*Business Day*" means a day other than a Saturday, Sunday or other day on which banking institutions in London or Paris or a place of payment under the Indenture are authorized or required by law to close.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet (excluding the footnotes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Carlyle*" means Carlyle Investment Management L.L.C.

"*Cash Equivalents*" means:

(1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the Pre-Expansion European Union, the United States of America, Switzerland, Canada or Japan (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union or the United States of America, Switzerland, Canada or Japan, as the case may be, and which are not callable or redeemable at the issuer's option; *provided* that such country (or agency or instrumentality) has a long-term government debt rating of "A1" or higher by Moody's or A+ or higher by S&P or the equivalent rating category of another internationally recognized rating agency as of the date of investment;

(2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union or of the United States of America or any state thereof, Switzerland or Canada; *provided* that such (i) bank or trust company has capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A1" or higher by Moody's or A+ or higher by S&P or the equivalent rating category of another

internationally recognized rating agency as of the date of investment or (ii) such country has a long-term government debt rating of "A1" or higher by Moody's or A+ or higher by S&P or the equivalent rating category of another internationally recognized rating agency as of the date of investment;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P as of the date of investment and, in each case, maturing within one year after the date of acquisition; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act)) other than one or more Permitted Holders);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any "person" as defined above) other than one or more Permitted Holders becomes the Beneficial Owner, directly or indirectly, of more than 50% of the issued and outstanding Voting Stock of the Company measured by voting power rather than number of shares;

(4) during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the shareholder representatives on the Board of Directors of the Company (together with any new directors whose election by the majority of the shareholder representatives on such Board of Directors of the Company as applicable, or whose nomination for election by shareholders of the Company, as applicable, was approved by a vote of the majority of the shareholder representatives on the Board of Directors of the Company, as applicable, then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the shareholder representatives on the Board of Directors of the Company, as applicable, then in office; or

(5) the first day on which the Parents fail to own, directly or indirectly, 100% of the Capital Stock of the Issuer.

"*Change of Control Offer*" has the meaning assigned to that term in the Indenture governing the Notes.

"*Cinven*" means Cinven Limited.

"*Coditel Debt*" means Coditel Debt S.à r.l.

"*Collateral Sharing Agreement*" means the notes intercreditor deed, dated as of February 14, 2012, between, among others, the Issuer, the Parent, the Security Agent and the Trustee, as amended, restated or otherwise modified or varied from time to time.

"*Company*" means Ypso France S.A.S.

"*Completel*" means Completel S.A.S.

"*Consolidated EBITDA*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(1) provision for taxes based on income, profits or capital, in each case of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(2) the Fixed Charges of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash charges and expenses (including without limitation write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Company and its Restricted Subsidiaries for such period) of the Company and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period; *plus*

(4) the amount of any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Restricted Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on, or other cash payments in respect of, Equity Interests held by such parties; *plus*

(5) any income or charge attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme; *plus*

(6) any expenses, charges or other costs related to any Equity Offering, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made at the time of such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), joint venture, disposition, recapitalization, Indebtedness permitted to be incurred by the Indenture, or the refinancing of any other Indebtedness of such Person or any of its Restricted Subsidiaries (whether or not successful) (including such fees, expenses or charges related to the Refinancing (as defined in this Offering Memorandum) and, in each case, deducted in such period in computing Consolidated Net Income; *plus*

(7) any expenses, costs or other charges (including any non-cash charges) related to the Transactions; *plus*

(8) all expenses incurred directly in connection with any early extinguishment of Indebtedness; *minus*

(9) non-cash items increasing such Consolidated Net Income for such period (other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (1) through (12) of the definition of Consolidated Net Income), other than the reversal of a reserve for cash charges in a future period in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

"*Consolidated Leverage*" means, with respect to any Person as of any date of determination, the total amount of Indebtedness of such Person and its Restricted Subsidiaries on a consolidated basis (but not giving effect to any additional Indebtedness to be incurred on the date of determination as

part of the same transaction or series of transactions pursuant to the third paragraph under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock").

"*Consolidated Leverage Ratio*" means, with respect to any specified Person as of any date of determination, the ratio of (a) the Consolidated Leverage of such Person on such date to (b) the Consolidated EBITDA of such Person for such Person's most recently ended two full fiscal quarters for which internal financial statements are available immediately preceding such date, multiplied by two. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Leverage Ratio is made (the "*Calculation Date*"), then the Consolidated Leverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable two-quarter reference period.

For purposes of calculating the Consolidated EBITDA for such period:

(1) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the two-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Leverage Ratio) will be given *pro forma* effect as if they had occurred on the first day of the two-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Leverage Ratio), will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such two-quarter period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such two-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to an Asset Sale, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Consolidated EBITDA associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the Company. In determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Indebtedness on such date. Interest on any Indebtedness that bears interest at a floating rate and that is being given *pro forma* effect shall be calculated as if the rate in effect on the date of calculation had been applicable for the entire period.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a

consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiaries), determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; *provided* that:

(1) (i) any extraordinary, exceptional or unusual gain, loss or charge, (ii) any asset impairments charges, the financial impacts of natural disasters (including fire, flood and storm and related events), (iii) any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance or (iv) any expenses, charges, reserves or other costs related to the Transactions, in each case, will be excluded;

(2) the net income or loss of any Person that is not a Restricted Subsidiary or that is accounted for under the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary which is a Subsidiary of the Person;

(3) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the second paragraph under the caption "—Certain Covenants—Restricted Payments", any net income or loss of any Restricted Subsidiary (other than any Senior Facility Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company (or any Senior Facility Guarantor that holds the Equity Interests of such Restricted Subsidiary, as applicable) by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture and (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole, are not materially less favorable to the holders of the Notes than such restrictions in effect on the Issue Date, except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than any Senior Facility Guarantor), to the limitation contained in this clause);

(4) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations will be excluded;

(5) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or a member of the senior management of the Company) will be excluded;

(6) any onetime non-cash charges or any increases in amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of, or merger or consolidation with, another Person or business or resulting from any reorganization or restructuring involving the Company or its Subsidiaries will be excluded;

(7) the cumulative effect of a change in accounting principles will be excluded;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(9) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity based awards will be excluded;

(10) any goodwill or other intangible asset impairment charges will be excluded;

(11) all deferred financing costs written off and premium paid in connection with any early extinguishment of Indebtedness and any net gain or loss from any write-off or forgiveness of Indebtedness will be excluded; and

(12) any capitalized interest on any Subordinated Shareholder Debt will be excluded.

"*Consolidated Senior Secured Indebtedness*" means, as of any date of determination, the sum of the total amount of Senior Secured Indebtedness of the Company and its Restricted Subsidiaries on a consolidated basis (but not giving effect to any additional Indebtedness to be incurred on the date of determination as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock").

"*Consolidated Senior Secured Leverage Ratio*" means, with respect to any specified Person as of any date of determination, the ratio of (a) the Consolidated Senior Secured Indebtedness of such Person on such date to (b) the Consolidated EBITDA of such Person for such Person's most recently ended two full fiscal quarters for which internal financial statements are available immediately preceding such date, multiplied by two. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Senior Secured Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Senior Secured Leverage Ratio is made (the "*Calculation Date*"), then the Consolidated Senior Secured Leverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable two-quarter reference period.

For purposes of calculating the Consolidated EBITDA for such period:

(1) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the two-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Senior Secured Leverage Ratio) will be given *pro forma* effect as if they had occurred on the first day of the two-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Senior Secured Leverage Ratio), will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such two-quarter period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such two-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to an Asset Sale, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Consolidated EBITDA associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the Company. In determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Indebtedness on such date. Interest on any Indebtedness that bears interest at a floating rate and that is being given *pro forma* effect shall be calculated as if the rate in effect on the date of calculation had been applicable for the entire period.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Covenant Agreement*" means the covenant agreement, dated the Issue Date, among the Issuer, the Senior Facility Obligors and the Trustee pursuant to which the Senior Facility Obligors agree to be bound by the covenants in the Indenture applicable to them.

"*Credit Facilities*" means, one or more debt facilities, instruments or arrangements incurred by any Restricted Subsidiary or any Finance Subsidiary (including the Senior Facility Agreement or commercial paper facilities and overdraft facilities) or commercial paper facilities or indentures or trust deeds or note purchase agreements, in each case, with banks, other institutions, funds or investors, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, bonds, notes debentures or other corporate debt instruments or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustees or other banks or institutions and whether provided under the Senior Facility Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the

foregoing, the term "Credit Facilities" shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Currency Exchange Protection Agreement*" means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Non-Cash Consideration*" means the Fair Market Value of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-Cash Consideration" pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the six-month anniversary of the date that the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "—Certain Covenants—Restricted Payments". For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such Fair Market Value to be determined as set forth herein.

"*EBITDA*" means, with respect to any specified Person for any period, operating profit for the period, before deducting depreciation and amortization and impairment charges, determined on an entity, combined or consolidated basis, as applicable, *pro forma* for any disposition or any sale or other conveyance or transfer of any assets from a Senior Facility Obligor to a Restricted Subsidiary that is not a Senior Facility Obligor during such period or subsequent thereto.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Investors*" means (i) Altice, (ii) Cinven and its Affiliates or any trust, fund, company or partnership owned, managed or advised by Cinven and (iii) Carlyle and its Affiliates or any trust, fund, company or partnership owned, managed or advised by Carlyle.

"*Equity Offering*" means a sale of Capital Stock (other than to the Company or any of its Subsidiaries) (x) that is a sale of Capital Stock of the Company (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the U.S. Securities Act or any similar offering in other jurisdictions, or (y) the proceeds of which are contributed as Subordinated

Shareholder Debt or to the equity (other than through the issuance of Disqualified Stock) of the Company or any of its Restricted Subsidiaries.

"*European Government Obligations*" means direct obligations of, or obligations guaranteed by, a member state of the European Union, and the payment for which such member state of the European Union pledges its full faith and credit; *provided* that such member state has a long-term government debt rating of "A1" or higher by Moody's or A+ or higher by S&P or the equivalent rating category of another internationally recognized rating agency.

"*Excluded Contributions*" means the net cash proceeds received by the Company after the Issue Date from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary of the Company) of Capital Stock (other than Disqualified Stock) of the Company,

in each case designated as "Excluded Contributions" pursuant to an Officers' Certificate of the Company (which shall be designated no later than the date on which such Excluded Contribution has been received by the Company), the net cash proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the second paragraph of the covenant described under "—Restricted Payments" hereof.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the Company's Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer of the Company.

"*Finance Subsidiary*" means a wholly owned subsidiary that is formed for the purpose of borrowing funds or issuing securities and lending the proceeds to the Company or a Senior Facility Guarantor and that conducts no business other than as may be reasonably incidental to, or related to, the foregoing.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income) of such Person and its Subsidiaries which are Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments), the interest component of deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(2) the consolidated interest expense (but excluding such interest on Subordinated Shareholder Debt) of such Person and its Subsidiaries which are Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries which are Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries which are Restricted Subsidiaries; *plus*

(4) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (excluding amortization of fees) with respect to Indebtedness; *plus*

(5) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary, other than dividends on Equity Interests payable to the Company or a Restricted Subsidiary, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Company.

"*General Partner*" means Numericable Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg and acting as the general partner (*associé commandité*) and manager (*gérant*) of the Issuer.

"*guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business, of all or any part of any Indebtedness (whether arising by agreements to keep-well, to take or pay or to maintain financial statement conditions, pledges of assets or otherwise).

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, including Currency Exchange Protection Agreements, or commodity prices.

"*IFRS*" means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union and in effect on the date hereof, or, with respect to the covenant described under the caption "Reports" as in effect from time to time.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables):

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments for which such Person is responsible or liable;

(3) representing reimbursement obligations in respect of letters of credit, bankers' acceptances or similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 20 days of incurrence);

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; and

(6) representing any Hedging Obligations;

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with IFRS. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person; *provided*, *however*, that in

the case of Indebtedness secured by a Lien, the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith) by the Company and (b) the amount of such Indebtedness of such other Person.

The term "Indebtedness" shall not include:

(1) Subordinated Shareholder Debt;

(2) any lease, concession or license of property (or guarantee thereof) which would be considered an operating lease under IFRS (including, for the avoidance of doubt, any Operating IRU);

(3) Contingent Obligations in the ordinary course of business;

(4) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;

(5) for the avoidance of doubt, any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(6) deferred or prepaid revenues;

(7) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business;

(8) Indebtedness in respect of the incurrence by the Company or any if its Restricted Subsidiaries of Indebtedness in respect of standby letters of credit, performance guarantees or bonds or surety bonds provided by or at the request of the Company or any of its Restricted Subsidiaries in the ordinary course of business (including standby letters of credit, performance guarantees or bonds or surety bonds in respect of such standby letters of credit, performance guarantees or bonds or surety bonds) to the extent such letters of credit, guarantees or bonds are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit, guarantee or bond; or

(9) Indebtedness incurred by the Company or one of its Restricted Subsidiaries in connection with a transaction where (x) such Indebtedness is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A or the equivalent thereof by S&P and A2 or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the Company or a Restricted Subsidiary of the Company in the form of cash deposited with the lender of such Indebtedness, or a Subsidiary or Affiliate thereof, in amount equal to such Indebtedness.

"*Initial Public Offering*" means the first Public Equity Offering of common stock or common equity interests of the Company or any Parent Entity (the "*IPO Entity*") following which there is a Public Market.

"*Intercreditor Agreement*" means the Intercreditor Agreement between, among others, Ypso Holding, the Company, certain of the Company's Subsidiaries and BNP Paribas, as senior agent and security agent, dated June 6, 2006, as amended, restated or otherwise modified or varied from time to time.

"*Investment Grade Status*" shall occur when the Notes are rated Baa3 or better by Moody's and BBB− or better by S&P (or, if either such entity ceases to rate the Notes, the equivalent investment grade credit rating from any other Rating Agency).

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as Investments on a balance sheet (excluding the footnotes) prepared in accordance with IFRS. If the Company or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "—Certain Covenants—Restricted Payments". The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "—Certain Covenants—Restricted Payments". Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

"*Issue Date*" means October 25, 2012.

"*Issuer Asset Sale*" means the sale, lease, conveyance or other disposition of any rights, property or assets by the Company, other than the granting of a Permitted Issuer Lien or any Permitted Issuer Investment.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof.

"*Loan Acquisition Date*" means the date on which the Issuer will acquire the Additional C2 Facility Loan from the Lending Bank.

"*Loan Funding Date*" means the date on which the Additional C2 Facility Loan is made.

"*Management Advances*" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Company or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding €2.5 million in the aggregate outstanding at any time.

"*Management Fees*" means:

(a) customary annual fees for the performance of monitoring services by Altice, Cinven or Carlyle or any of their respective Affiliates for the Company or any Restricted Subsidiary; *provided* that such fees will not, in the aggregate, exceed €3.0 million per annum (inclusive of out of pocket expenses); and

(b) customary fees and related expenses for the performance of transaction, management, consulting, financial or other advisory services or underwriting, placement or other investment banking activities, including in connection with mergers, acquisitions, dispositions or joint ventures, by Altice, Cinven or Carlyle or any of their respective Affiliates for the Company or any of its Restricted Subsidiaries, which payments in respect of this clause (b) have been approved by a majority of the disinterested members of the Board of Directors of the Company.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend *multiplied by* (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc.

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any Designated Non-Cash Consideration or other consideration received in non-cash form or Cash Equivalents substantially concurrently received in any Asset Sale), net of the direct costs relating to such Asset Sale and the sale of such Designated Non-Cash Consideration or other consideration received in non-cash form, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, and all distributions and other payments required to be made to minority interest holders (other than the Company or any Subsidiary) in Subsidiaries or joint ventures as a result of such Asset Sale, and any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with IFRS.

"*Non-Recourse Debt*" means Indebtedness as to which neither the Company nor any of its Restricted Subsidiaries (1) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (2) is directly or indirectly liable as a guarantor or otherwise.

"*Note Collateral*" means the property and assets of the Issuer or any other Person over which a Lien has been granted to secure the obligations of the Issuer under the Notes and the Indenture pursuant to the Note Security Documents.

"*Note Security Documents*" means the Issuer Share Pledge, the General Partner Share Pledge, the Issuer Bank Account Charge, the Loan Assignment and other instruments and documents executed and delivered pursuant to the Indenture or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Note Collateral is pledged, assigned or granted to or on behalf of the Security Agent for the ratable benefit of the holders of the Notes and the Trustee or notice of such pledge, assignment or grant is given.

"*Numericable*" means Numericable S.A.S.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Officer*" means, with respect to any Person, the Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President, Vice President, the Treasurer, the Secretary, Director or member of the Board of Directors of such Person or any other person that the Board of Directors of such Person shall designate for such purpose.

"*Officer's Certificate*" means a certificate signed by an Officer.

"*Operating IRU*" means an indefeasible right of use of, or operating lease or payable for lit or unlit fiber optic cable or telecommunications conduit or the use of either.

"*Parent Entity*" means any direct or indirect parent company or entity of the Company.

"*Parents*" means Stichting 1 and Stichting 2.

"*Permitted Business*" means (i) the cable television business, including the distribution, sale and/or provision of analog cable television, digital cable television, broadband Internet services, fixed-line and wireless telephony services and other services in relation thereto, (ii) the service and maintenance of the Company's cable network and related activities, (iii) any business, services or activities engaged in by the Company or any of its Restricted Subsidiaries on the Issue Date, and (iv) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments of any thereof.

"*Permitted Collateral Liens*" means:

(1) Liens on the Senior Facility Collateral to secure (i) Indebtedness under Credit Facilities that are permitted by clauses (1) and (3) of the definition of Permitted Debt and (ii) Senior Secured Indebtedness of the Company and the Senior Facility Guarantors permitted by the second paragraph of the covenant entitled "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and, in the case of each of (i) and (ii), Permitted Refinancing Indebtedness in respect thereof (and Permitted Refinancing Indebtedness in respect of such Permitted Refinancing Indebtedness); *provided* that, in each case, all property and assets (including, without limitation, the Senior Facility Collateral) securing such Indebtedness also secure the Additional C2 Facility Loan or the Senior Facility Guarantees on a senior or *pari passu* basis; *provided further* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement;

(2) Liens on the Senior Facility Collateral securing the Company's or any Restricted Subsidiary's obligations under Hedging Obligations (other than Hedging Obligations in respect of commodity prices and only to the extent such Hedging Obligations relate to Indebtedness referred to in clause (1) above and, in each case, and such Indebtedness is also secured by the Senior Facility Collateral) permitted by clause (8) of the definition of Permitted Debt, *provided* that the assets and properties securing such Indebtedness will also secure the Additional C2 Facility Loan or the Senior Facility Guarantees on a senior or *pari passu* basis, provided further that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) Liens on the Collateral to secure Indebtedness permitted under clauses (4) (other than with respect to Capital Lease Obligations), (9) (to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and is specified in this definition of "Permitted Collateral Liens") and (18) of the definition of "Permitted Debt" and, in each case, any Permitted Refinancing Indebtedness in respect of any of the Indebtedness referred to in this clause (3) (and Permitted Refinancing Indebtedness in respect of such Permitted Refinancing Indebtedness), *provided* that the assets and properties securing such Indebtedness will also secure the Additional C2 Facility Loan or the Senior Facility Guarantees on a senior or *pari passu* basis, and *provided further* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and

(4) Liens on the Senior Facility Collateral arising by operation of law or that are described in one or more of clauses (3), (4), (5), (6), (7), (8), (12) to (24) (inclusive), (27), (29) and (30) of the definition of "Permitted Liens" and that, in each case, would not materially interfere with the ability of the Senior Facility Security Agent to enforce any Lien over the Senior Facility Collateral.

"*Permitted Holders*" means the Equity Investors and Related Parties. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary;

(2) any Investment in cash and Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary in a Person, if as a result of such Investment:

  (a) such Person becomes a Restricted Subsidiary; or

  (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales";

(5) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

(6) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(7) Investments represented by Hedging Obligations, which obligations are permitted by clause (8) of the third paragraph of the covenant entitled "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";

(8) Investments in the Notes (including any Additional Notes) and any other Indebtedness of the Company or any Restricted Subsidiary;

(9) any guarantee of Indebtedness permitted to be incurred by the covenant described above under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";

(10) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(11) Investments acquired after the Issue Date as a result of the acquisition by the Company or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Company or any of its Restricted Subsidiaries in a transaction

that is not prohibited by the covenant described above under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets" after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(12) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "—Certain Covenants—Liens";

(13) any Investment to the extent made using as consideration Capital Stock of the Company (other than Disqualified Stock), Subordinated Shareholder Debt or Capital Stock of any Parent Entity;

(14) Management Advances;

(15) any Investment made in connection with a Qualified Securitization Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Securitization Financing or any Related Indebtedness; and

(16) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (16) that are at the time outstanding not to exceed €50.0 million; *provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary at the time of making such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "—Certain Covenants—Restricted Payments", such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause.

"*Permitted Issuer Investments*" means Investments in:

(1) cash and Cash Equivalents;

(2) the Notes;

(3) the sub-participation in the Additional C1 Loan made by the Lending Bank to the Company;

(4) any Additional Issuer Debt;

(5) the Additional C2 Facility Loan;

(6) any Additional C Facility Loan; and

(7) the sub-participation in any Additional C Loan made by any financial intermediary to the Company.

"*Permitted Issuer Liens*" means:

(1) Liens created for the benefit of (or to secure) the Notes (including any Additional Notes);

(2) Liens on the Shared Note Collateral to secure Additional Issuer Debt;

(3) Liens over any Additional C Facility Loan (other than the Additional C2 Facility Loan) to secure the Additional Issuer Debt that funded such Additional C Facility Loan or any Additional Issuer Debt of the same series as the Additional Issuer Debt that funded such Additional C Facility Loan; and

(4) Liens arising by operation of law described in one or more of clauses (6) or (14) of the definition of Permitted Liens.

"*Permitted Issuer Maintenance Payments*" means amounts paid to the Parents to the extent required to permit the Parents to pay reasonable amounts required to be paid by it to maintain the Issuer's corporate existence and to pay reasonable accounting, legal, management and administrative fees and other bona fide operating expenses (to the extent such amounts were not already paid by the Company or its Subsidiaries or any other Person), in an aggregate annual amount not to exceed €150,000 per annum.

"*Permitted Liens*" means:

(1) Liens in favor of the Company or any of the Restricted Subsidiaries;

(2) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company or any Restricted Subsidiary; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary or such merger or consolidation, were not incurred in contemplation thereof and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company or any Restricted Subsidiary;

(3) Liens to secure the performance of statutory obligations, trade contracts, insurance, surety or appeal bonds, workers compensation obligations, leases, performance bonds, guarantees or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);

(4) Liens to secure Indebtedness permitted by clause (4) of the third paragraph of the covenant entitled "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" covering only the assets acquired with or financed by such Indebtedness;

(5) Liens existing on the Issue Date;

(6) Liens for taxes, assessments or governmental charges or claims that (x) are not yet due and payable or (y) are being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as will be required in conformity with IFRS will have been made;

(7) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(8) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(9) Liens created for the benefit of (or to secure) the Notes and the Obligations of the Senior Facility Obligors under the Senior Finance Documents (including the Additional C2 Facility Loan);

(10) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the third paragraph of the covenant described above under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";

(11) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the Indenture; *provided*, *however*, that:

(a) the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged with such Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(12) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(13) filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under other applicable jurisdictions) in connection with operating leases in the ordinary course of business;

(14) bankers' Liens, rights of setoff or similar rights and remedies as to deposit accounts, Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(15) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(16) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(17) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;

(18) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;

(19) (a) mortgages, Liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any real property leased by the Company or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(22) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(23) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(24) Liens on any proceeds loan made by the Company or any Restricted Subsidiary in connection with any future incurrence of Indebtedness permitted under the Indenture and securing that Indebtedness;

(25) Liens on property at the time the Company or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Company or any Restricted Subsidiary; *provided* that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such acquisition and do not extend to any other property owned by the Company or any Restricted Subsidiary;

(26) Liens incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with respect to obligations (other than Indebtedness) that do not exceed €25.0 million at any one time outstanding;

(27) any interest or title of a lessor under any operating lease;

(28) Permitted Collateral Liens;

(29) Liens on Securitization Assets and related assets incurred in connection with any Qualified Securitization Financing; and

(30) Liens incurred in connection with a cash management program established in the ordinary course of business.

"*Permitted Parent Payments*" means, the declaration and payment of dividends or other distributions, or the making of loans, by the Company or any of its Restricted Subsidiaries to any Parent Entity in amounts and at times required to pay:

(1) franchise fees and other fees, taxes and expenses required to maintain the corporate existence of any Parent Entity of the Company;

(2) general corporate overhead expenses of any Parent Entity to the extent such expenses are attributable to the ownership or operation of the Company and its Restricted Subsidiaries or related to the proper administration of such Parent Entity (including fees and expenses properly incurred in the ordinary course of business to auditors and legal advisors and payments in respect of services provided by directors, officers, consultants or employees of any such Parent Entity) not to exceed € 2.5 million in any 12-month period;

(3) any income taxes, to the extent such income taxes are attributable to the income of the Company and any of its Restricted Subsidiaries, taking into account any net operating loss carryovers and other tax attributes, and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided*, that such Parent Entity shall promptly pay such taxes or refund such amount to the Company;

(4) costs (including all professional fees and expenses) incurred by any Parent Entity in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any of its Restricted Subsidiaries, including in respect of any reports filed with respect to the U.S. Securities Act, U.S. Exchange Act or the respective rules and regulations promulgated thereunder; and

(5) fees and expenses of any Parent Entity incurred in relation to any public offering or other sale of Capital Stock or Indebtedness (whether or not completed) (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or any of its Restricted Subsidiaries; (b) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or (c) otherwise on

an interim basis prior to completion of such offering so long as any Parent Entity will cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness (other than any proceeds loan)); *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable), or if issued with original issue discount, aggregate issue price) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has (a) a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is expressly, contractually, subordinated in right of payment to the Obligations of the Senior Facility Obligors under the Senior Facility Agreement (including the Additional C2 Facility Loan), as the case may be, such Permitted Refinancing Indebtedness is subordinated in right of payment to such Obligations on terms at least as favorable to the Additional C2 Facility Lender in respect of the Additional C2 Facility Loan, as the case may be, as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; and

(4) if any Senior Facility Obligor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is incurred either by a Senior Facility Obligor or a Finance Subsidiary.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Pre-Expansion European Union*" means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004.

"*Pro Forma Consolidated EBITDA*" means, with respect to any specified Person for any period, the Consolidated EBITDA of such Person giving *pro forma* effect to any acquisitions (including through mergers or consolidations) and dispositions that have occurred during such period or subsequent to such period.

"*Pro Forma Consolidated Gross Assets*" means, with respect to any specified Person as of any date, the total assets of such Person and its Restricted Subsidiaries, calculated on a consolidated basis in accordance with IFRS, excluding all intra group items and investments in any Subsidiaries of such Person of or by such Person or any of its Restricted Subsidiaries, giving *pro forma* effect to any acquisitions (including through mergers or consolidations) and dispositions that have occurred subsequent to such period.

"*Public Debt*" means any bonds, debentures, notes or other indebtedness (other than loans) of a type that could be issued or traded in any market where capital funds are traded, including private placement sources of debt as well as organized markets and exchanges, whether such indebtedness is issued in a public offering or in a private placement to institutional investors or otherwise; *provided* that "Public Debt" shall not include guarantees of Public Debt issued by a Parent Entity of the Company or any Subsidiary of a Parent Company if such guarantees are otherwise permitted to be incurred under the Indenture.

"*Public Equity Offering*" means, with respect to any Person, a bona fide underwritten public offering of the shares of common stock or common equity interests of such Person, either:

(1) pursuant to a flotation on the main market of the London Stock Exchange or any other nationally recognized regulated stock exchange or listing authority in a member state of the Pre-Expansion European Union; or

(2) pursuant to an effective registration statement under the U.S. Securities Act (other than a registration statement on Form S-8 or otherwise relating to Equity Interests issued or issuable under any employee benefit plan).

"*Public Market*" means any time after:

(1) a Public Equity Offering of the IPO Entity has been consummated; and

(2) at least 20% of the total issued and shares of common stock or common equity interests of the IPO Entity has been distributed to investors other than the Permitted Holders or their Related Parties or any other direct or indirect shareholders of the Company as of the Issue Date.

"*Qualified Securitization Financing*" means any financing pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person or grant a security interest in, any Securitization Assets (and related assets) in any aggregate principal amount equivalent to the Fair Market Value of such Securitization Assets (and related assets) of the Company or any of its Restricted Subsidiaries; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Company's Board of Directors or senior management) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Company's Board of Directors or senior management) at the time such financing is entered into and (c) such financing shall be non-recourse to the Company or any of its Restricted Subsidiaries except to a limited extent customary for such transactions.

"*Rating Agencies*" means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act selected by the Company as a replacement agency.

"*Related Party*" means:

(1) any controlling stockholder, partner or member, or any 50% (or more) owned Subsidiary, or immediate family member (in the case of an individual), of any Equity Investor; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a 50% or more controlling interest of which consist of any one or more Equity Investors and/or such other Persons referred to in the immediately preceding clause.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Ratings Group.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as amended.

"*Securitization Assets*" means any accounts receivable, inventory, royalty or revenue streams from sales of inventory subject to a Qualified Securitization Financing.

"*Securitization Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Company or any of its Restricted Subsidiaries in connection with any Qualified Securitization Financing.

"*Securitization Repurchase Obligation*" means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Senior Facility Agreement*" means the Senior Facility Agreement between, among others, Ypso Holding, as the parent, the Company and certain of the Company's Subsidiaries, as borrowers and guarantors, and BNP Paribas as facility agent and security agent, dated June 6, 2006, and as amended, restated (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending or altering the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreement or any successor or replacement agreement or agreements or increasing the amount loaned thereunder (subject to compliance with the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock").

"*Senior Facility Borrowers*" means the Company, Numéricable SAS, Est Vidéocommunication SAS, NC Numéricâble SAS and any Subsidiary of the Company that accedes to the Senior Facility Agreement as an additional borrower thereunder in accordance with the provisions of this Indenture or the Senior Facility Agreement, and their respective successors and assigns.

"*Senior Facility Collateral*" means the property and assets of any Senior Facility Obligor or any other Person over which a Lien has been granted to secure the Obligations of the Senior Facility Obligors under the Senior Facility Agreement (including the Additional C2 Facility Loan) pursuant to the Senior Facility Security Documents.

"*Senior Facility Guarantee*" means the Guarantee by each Senior Facility Guarantor of the Senior Facility Borrowers' Obligations under the Senior Facility Agreement (including the Additional C2 Facility Loan).

"*Senior Facility Guarantors*" means, collectively, Ypso Holding, the Company, Est Video-communication SAS, Numericable SAS, Eno Holding, Coditel Debt, NC Numericable SAS, Eno Belgium SPRL, Ypso Finance and any Subsidiary of the Company that accedes to the Senior Facility Agreement as an additional guarantor thereunder in accordance with the provisions of the Indenture or the Senior Facility Agreement, and their respective successors and assigns, in each case, until the Senior Facility Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"*Senior Facility Obligors*" means the Senior Facility Borrowers and the Senior Facility Guarantors.

"*Senior Facility Security Documents*" means each Security Document (as defined in the Senior Facility Agreement) as of, and existing on, the Issue Date and other instruments and documents executed and delivered pursuant to the Indenture or the Senior Facility Agreement or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and

pursuant to which the Senior Facility Collateral is pledged, assigned or granted to or on behalf of the Senior Facility Security Agent for the ratable benefit of lenders and other finance parties under the Senior Facility Agreement or notice of such pledge, assignment or grant is given.

"*Senior Facilities*" means the credit facilities made available pursuant to the Senior Facility Agreement.

"*Senior Finance Document*" means any document or agreement defined as a "Finance Document" under the Senior Facility Agreement as of the Issue Date and any other document or agreement designated as such after the Issuer Date in accordance with the terms of the Senior Facility Agreement, excluding the Covenant Agreement.

"*Senior Facility Security Agent*" means the "Security Agent" as defined in the Senior Facility Agreement.

"*Senior Secured Indebtedness*" means, with respect to any Person, the sum of the aggregate outstanding Indebtedness (other than (i) Capital Lease Obligations, mortgage financings or purchase money obligations incurred pursuant to clause (4) of the definition of Permitted Debt and (ii) Indebtedness of the type specified in clauses (6), (8), (10), (11), (12), (13) and (15) of the definition of Permitted Debt) of that Person and its Restricted Subsidiaries that is secured by Lien and Indebtedness of a Restricted Subsidiary of the Company that is not a Guarantor.

"*Senior Subordinated Notes Intercreditor Agreement*" means the senior subordinated notes intercreditor agreement substantially in the form attached to the Indenture and described in this Offering Memorandum under the heading "Description of Other Indebtedness—Senior Notes Subordinated Notes Intercreditor Agreement", as amended, restated or otherwise modified or varied from time to time in accordance with the provisions thereof and of the Indenture

"*Significant Subsidiary*" means (1) the Issuer and (2) at the date of determination, any Restricted Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Company or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Company.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Stichting 1*" means Stichting Ypso 1, a foundation formed under the laws of the Netherlands.

"*Stichting 2*" means Stichting Ypso 2, a foundation formed under the laws of the Netherlands.

"*Subordinated Company Loan*" has the meaning given to it in the Senior Facility Agreement as of the Issue Date.

"*Subordinated Shareholder Debt*" means, collectively, any debt provided to the Company by any direct or indirect parent of the Company or any Permitted Holder or Related Party, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided* that such Subordinated Shareholder Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity

Interests of the Company (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the Stated Maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confers on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) is not secured by a Lien on any assets of the Company or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Company;

(5) is subordinated in right of payment to the prior payment in full in cash of the Additional C2 Facility Loan in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Company at least to the same extent as the Senior Subordinated Notes (as defined in the Senior Subordinated Notes Intercreditor Agreement) are subordinated to "Senior Debt" (as defined in the Senior Subordinated Notes Intercreditor Agreement) under the Senior Subordinated Notes Intercreditor Agreement;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Additional C2 Facility Loan or compliance by the Company with its obligations under the Indenture, the Covenant Agreement or the Senior Facility Agreement;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Company,

provided, however, that any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Debt, such Indebtedness shall constitute an incurrence of such Indebtedness by the Company, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Tax*" means any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "*Taxes*" and "*Taxation*" shall be construed to have corresponding meanings.

"*Total Assets*" means the consolidated total assets of the Company and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Company.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company (other than the Issuer or any successor to the Issuer) that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by the covenant described above under the caption "—Certain Covenants—Transactions with Affiliates", is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; and

(3) is a Person with respect to which neither the Company nor any Restricted Subsidiary has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results.

"*Voting Undertaking*" means the voting deed poll dated on or about executed and delivered by the Issuer as the Additional C2 Facility Lender as required by the Senior Facility Agreement.

"*Voting Stock*" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amounts of such Indebtedness.

"*Ypso Holding*" means Ypso Holding S.à r.l.

BOOK-ENTRY, DELIVERY AND FORM

General

Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by global notes in registered form without interest coupons attached (the "Rule 144A Global Notes"). Notes sold to non-U.S. persons outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes"). The Global Notes will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the account of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Notes ("Rule 144A Book-Entry Interests") and ownership of interests in the Regulation S Global Notes (the "Regulation S Book-Entry Interests" and, together with the Rule 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons who have accounts with Euroclear and/or Clearstream or persons who hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither we nor the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

For the purpose of Luxembourg law, ownership of the Notes will be evidenced through registration from time to time in the noteholders' register kept at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive registered notes:

(1) if Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

Euroclear and Clearstream have advised us that the upon request of an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that we issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or us, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, we, the Trustee, the Paying Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their participants' accounts on a proportional basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no Book-Entry Interest of less than €100,000 principal amount may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the common depositary or its nominee for Euroclear and Clearstream. The common depositary will distribute such payments to participants in accordance with their customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "Description of the Notes—Additional Amounts". If any such deduction or withholding is required to be made, then, to the extent described under "Description of the Notes—Additional Amounts", we will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding to equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, we, the Trustee and the Paying Agent will treat the registered holders of the Global Notes (e.g., Euroclear or Clearstream (or their respective nominee)) as the

owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee or any of its agents has or will have any responsibility or liability for:

- aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- Euroclear, Clearstream or any participant or indirect participant; or
- the records of the common depositary.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear or Clearstream in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, Euroclear and Clearstream, at the request of the holders of the Notes, reserve the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to their participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear's and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth under "Notice to Investors". Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "Notice to Investors".

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in

the form provided in the Indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a ''qualified institutional buyer'' within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under ''Notice to Investors'' and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the applicable Regulation S Global Note and a corresponding increase in the principal amount of the applicable Rule 144A Global Note.

In connection with transfers involving an exchange of a Rule 144A Book-Entry Interest for a Regulation S Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principle amount of the applicable Rule 144A Global Note and a corresponding increase in the principal amount of the applicable Regulation S Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under ''Description of the Notes—Transfer and Exchange'' and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See ''Notice to Investors''.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Global Note and become a Book-Entry Interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. None of us, the Trustee, the Paying Agents, the Registrar or the Initial Purchasers are responsible for those operations or procedures.

We understand as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive

certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Irish Stock Exchange and admitted for trading on the Irish Stock Exchange's Global Exchange Market. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, the Trustee or the Paying Agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A under the U.S. Securities Act and in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

We have not registered and will not register the Notes under the U.S. Securities Act and, therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, we are offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to "qualified institutional buyers", commonly referred to as "QIBs", as defined in Rule 144A in compliance with Rule 144A; and
- outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S.

We use the terms "offshore transaction", "U.S. person" and "United States" with the meanings given to them in Regulation S.

If you purchase the Notes, you will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchasers as follows:

(1) You understand that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Notes have not been and will not be registered under the U.S. Securities Act and that (A) if in the future you decide to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (i) in the United States to a person whom you reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, and (ii) outside the United States in a transaction complying with the provisions of Rule 904 under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state of the United States, and that (B) you will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes of the resale restrictions referred to in (A) above.

(2) (i) You are not (other than Altice, Carlyle, Cinven or any fund or entity advised or managed by, or under the common control of, any of Altice, Carlyle or Cinven) our "affiliate" (as defined in Rule 144 under the U.S. Securities Act) or acting on our behalf and (ii) that either:

- you are a QIB, within the meaning of Rule 144A and are aware that any sale of these Notes to you will be made in reliance on Rule 144A, and such acquisition will be for your own account or for the account of another QIB; or
- you are not a U.S. person or purchasing for the account or benefit of a U.S. person, other than a distributor, and you are purchasing the Notes in an offshore transaction in accordance with Regulation S under the U.S. Securities Act.

(3) You acknowledge that none of us, the Issuer or the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to us, the Issuer and its subsidiaries or the offer or sale of any of the Notes, other than the information

contained in this offering memorandum, which offering memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this offering memorandum. You have had access to such financial and other information concerning us, the Issuer and its subsidiaries, and the Notes as you have deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A or Regulation S.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes only (i) to the Issuer, (ii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A or (iii) pursuant to offers and sales that occur outside the United States in compliance with Regulation S, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to our and the Trustee's rights prior to any such offer, sale or transfer, to require that a certificate of transfer in the form appearing in the Indenture is completed and delivered by the transferor to the Trustee.

(6) You agree that one of the following is true: (i) no assets of a Benefit Plan Investor or Non-ERISA Plan (as defined in "Certain Considerations for Employee Benefit Plans and Other Retirement Arrangements") have been used by the purchaser to acquire the Notes or an interest therein, (ii) the purchaser is an Insurance Company General Account and (A) less than 25% of its assets will be comprised, for the duration of its holding of the Notes, of the assets of Benefit Plan Investors and (B) the acquisition and holding of the Notes will not constitute or result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or (iii) the purchaser is a Non-ERISA Plan and the acquisition and holding of the Notes will not constitute a violation of Similar Law.

(7) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "U.S. SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) EXCEPT TO (A) QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT PROVIDED BY RULE 144A OR (B) PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. EACH PURCHASER OF THIS NOTE IS HEREBY

NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE U.S. SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE UNDER RULE 144A, IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT; OR (III) TO THE ISSUER, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN THIS LEGEND.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(8) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(9) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth therein have been complied with.

(10) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, you shall promptly notify the Initial Purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(11) You understand that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "Plan of Distribution".

CERTAIN CONSIDERATIONS FOR EMPLOYEE BENEFIT PLANS AND OTHER RETIREMENT ARRANGEMENTS

No purchase of the Notes will be permitted by "employee benefit plans" (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA ("ERISA Plans"), individual retirement accounts and other plans and arrangements that are subject to Section 4975 of the Code (together with ERISA plan, "Plans"), or any entity whose underlying assets include "plan assets" (within the meaning of the Plan Assets Regulation by reason of any such Plan investment in the entity) of the foregoing (a "Benefit Plan Investor"), except for an "insurance company general account" within the meaning of U.S. Department of Labor Prohibited Transaction Class Exemption 95-60 (an "Insurance Company General Account") that represents and covenants that for so long as it holds Notes, less than 25% of the assets of which will be comprised of the assets of Benefit Plan Investors and that its purchase and holding of such Notes will not constitute or result in a nonexempt prohibited transaction under ERISA or Section 4975 of the Code. Plans subject to any substantially similar applicable state, local or other law ("Similar Laws") and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Non-ERISA Plan") may generally purchase Notes subject to the considerations discussed below.

General Fiduciary Matters

In considering an investment in the Notes with assets of any Insurance Company General Account or Non-ERISA Plan, a fiduciary should consult with its counsel in order to determine whether the investment is in accordance with the documents and instruments governing such investor and the applicable provisions of ERISA, the Code or any Similar Law. In addition, a fiduciary of any such investor should consult with its counsel in order to determine if the investment satisfies the fiduciary's duties, including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

No Benefit Plan Investor may purchase Notes ; however, the Notes may be purchased by an Insurance Company General Account as discussed herein. Notes should not be purchased or held by any person investing the assets of an Insurance Company General Account or Non-ERISA Plan unless such purchase and holding of the Notes will not constitute or result in a nonexempt prohibited transaction under ERISA or Section 4975 of the Code or any violation of applicable Similar Laws.

Representation

By acceptance of a Note or any interest therein, each purchaser and subsequent transferee of Notes will be deemed to have represented and warranted that one of the following is true: (i) no portion of the assets used by such purchaser or transferee to acquire or hold the Notes constitutes assets of any Benefit Plan Investor or Non-ERISA Plan, (ii) it is an Insurance Company General Account and (A) less than 25% of its assets will be comprised, for the duration of its holding of the Notes, of the assets of Benefit Plan Investors and (B) the acquisition and holding of the Notes will not constitute or result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or (iii) it is a Non-ERISA Plan and the acquisition and holding of the Notes will not constitute a violation of Similar Law.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in nonexempt prohibited transactions, it is particularly important that fiduciaries or other persons considering acquiring the Notes on behalf of, or with the assets of, any Insurance Company General Account or Non-ERISA Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investments and whether an exemption would be applicable to the purchase and holding of the Notes.

CERTAIN TAX CONSIDERATIONS

Certain Luxembourg Tax Considerations

The following is a summary of certain Luxembourg material tax consequences of purchasing, owning and disposing of the Notes. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase or sell the Notes. It should be read in conjunction with "Risk Factors". It is based on the laws, regulations, and administrative and judicial interpretations presently in force in Luxembourg, although it is not intended to be, nor should it be construed to be, legal or tax advice or to cover any and all types of investors. Potential investors in the Notes should therefore consult their own professional advisors as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax and net wealth tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal) and a solidarity surcharge (contribution au fonds pour l'emploi) as well as personal income tax (impôt sur le revenu). Investors may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax and municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Issuer

The Issuer has elected to be governed by the Luxembourg law of March 22, 2004 on securitization (the "Securitization Law"), as amended. Securitization vehicles governed by the Securitization Law are subject to corporate income tax and municipal business tax.

Withholding Tax

(i) Nonresident Noteholders

Under Luxembourg general tax laws currently in force and subject to the laws of June 21, 2005 (the "Laws") (i) implementing the European Union Savings Directive (Council Directive 2003/48/EC of June 3, 2003, on taxation of savings income in the form of interest payments, the "EU Savings Directive") and (ii) ratifying the treaties entered into by Luxembourg and certain dependent and EU Member States, there is no withholding tax on payments of principal, premium or interest made under the Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by nonresident Noteholders.

Under the EU Savings Directive and the Laws, a Luxembourg-based paying agent (within the meaning of the EU Savings Directive) is required, since July 1, 2005, to withhold tax on interest and other similar income (within the meaning of the Laws) paid by it to (or, under certain circumstances, for the benefit of) an individual resident in another EU Member State or a residual entity ("Residual Entity") in the sense of Article 4.2 of the Directive (i.e., an entity without legal personality and whose profits are not taxed under the general arrangements for business taxation and that is not, or has not opted to be considered as, an undertaking for collective investment in transferrable securities or UCITS recognized in accordance with Council Directive 85/611/EEC), resident or established in another EU Member State, unless the beneficiary of the payment of interest or similar income elects for an exchange of information or provides a specific tax certificate to the Luxembourg paying agent. The

same regime applies to payments by a Luxembourg-based paying agent to (or, under certain circumstances, for the benefit of) individuals or Residual Entities resident or established in certain dependant or associated territories (including Jersey, Guernsey, the Isle of Man, Montserrat, the British Virgin Islands, Curaçao, Saba, St. Eustatius, Bonaire, St. Maarten and Aruba).

The withholding tax rate is 35%. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. The tax withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

Investors should note that the EU Commission announced proposals to amend the EU Savings Directive. If implemented, the proposed amendments would, *inter alia*, extend the scope of the EU Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU-resident individual, and (ii) a wider range of income similar to interest (for more information, please see "—EU Savings Directive").

(ii) Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "Law"), mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg-resident holder of Notes, nor on accrued but unpaid interest in respect of the Notes nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg-resident Noteholders.

Under the Law, payments of interest or similar income on debt instruments made or deemed made by a paying agent (within the meaning of the Law) established in Luxembourg to or for the benefit of an individual Luxembourg resident may be subject to a final tax of 10%. Such tax will be in full discharge of income tax if the individual beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding and payment of the tax will be assumed by the Luxembourg paying agent.

An individual beneficial owner of interest or similar income (within the meaning of the Law) who is a resident of Luxembourg and acts in the course of the management of his/her private wealth may opt in accordance with the Law for a final tax of 10%. when he/she receives or is deemed to receive such interest or similar income from a paying agent established in another EU Member State, in a member state of the EEA which is not an EU Member State or in a state which has concluded a treaty directly in connection with the EU Savings Directive. In such case, the 10% levy is calculated on the same amounts as for the payments made by Luxembourg-resident paying agents. The option for the 10% final levy must cover all payments of interest or similar income made by the paying agents to the Luxembourg-resident beneficial owner or, under certain circumstances, to a Residual Entity established in another EU Member State, during the entire civil year. The individual resident who is the beneficial owner of interest is responsible for the declaration and the payment of the 10% final tax.

Income Taxation

(i) Nonresident Noteholders

Nonresident Noteholders, not having a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the Notes or income thereon are attributable, are not subject to Luxembourg income taxes on income accrued or received, redemption premiums or issue discounts, under the Notes nor on capital gains realized on the disposal or redemption of the Notes. Nonresidents holders who have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the Notes or income therefrom are attributable are subject to

Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realized upon the sale or disposal of the Notes.

(ii) Resident Noteholders

Individuals

A resident Noteholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest or similar income received, redemption premiums or issue discounts, under the Notes, except if tax has been levied on such payments in accordance with the Law.

A gain realized by an individual Noteholder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Law.

Corporations

A corporate resident Noteholder must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A Noteholder that is governed by the law of May 11, 2007 as amended, on family estate management companies (*société de gestion de patrimoine familial*) or by the law of December 17, 2010 (amending the law of December 20, 2002), on undertakings for collective investment, or the law of February 13, 2007 on specialized investment funds (as amended), is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium, nor on gains realized on the sale or disposal, in any form whatsoever, of the Notes.

Net Wealth Taxation

Individuals

An individual Noteholder, whether he/she is resident in Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Corporations

A Luxembourg-resident corporate Noteholder as well as a non-Luxembourg-resident Noteholder which maintains a permanent establishment, fixed place of business or a permanent representative in Luxembourg to which such Notes or income thereon are attributable, are subject to Luxembourg wealth tax on such Notes, except if the Noteholder is a family estate management company (*société de gestion de patrimoine familial*) introduced by the law of May 11, 2007 (as amended), an undertaking for collective investment governed by the law of December 17, 2010 (amending the law of December 20, 2002), a securitization vehicle governed by and compliant with the law of March 22, 2004 on securitization (as amended), a company governed by and compliant with the law of June 15, 2004 (as amended) on venture capital vehicles, or a specialized investment fund governed by the law of February 13, 2007 on specialized investment funds (as amended).

An individual Noteholder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

Notes or documents relating to the Notes issuance which are deemed to be entered into in the context of securitization transactions are not subject to registration in Luxembourg, even when referred to in a public deed (*acte public*) or produced in court or before any other public or official authority (*autorité constituée*); *provided, however*, that such documents do not have the effect to transfer rights which must be transcribed, recorded or registered and which relate to immovable property located in Luxembourg, or to aircraft, ships or riverboats recorded on a public register in Luxembourg. The same documents may, however, be voluntarily submitted for registration, in which case they are registered with the *Administration de l'Enregistrement et des Domaines* at a fixed rate (*droit fixe*) of €12.

Where a Noteholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed or recorded in Luxembourg.

EU Savings Directive

On June 3, 2003, the EU Council of Economic and Finance Ministers adopted the EU Savings Directive effective from July 1, 2005. Under the directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest within the meaning of the EU Savings Directive or other similar income paid by a paying agent within the meaning of the EU Savings Directive, to an individual resident or certain types of entities called "residual entities", within the meaning of the EU Savings Directive (the "Residual Entities"), established in that other Member State (or certain dependent or associated territories). For a transitional period, however, Luxembourg is permitted to apply a withholding tax system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not opt for exchange of information or does not provide a specific tax certificate reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The tax rate of the withholding is 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Please see the European Union Directive on Taxation of Savings Income in the Form of Interest Payments (Council Directive 2003/48/EC).

Also with effect from July 1, 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain dependant or associated territories (including Jersey, Guernsey, the Isle of Man, Montserrat, the British Virgin Islands, Curaçao, Saba, St. Eustatius, Bonaire, St. Maarten, Aruba, the Cayman Islands, Turks and Caicos, and Anguilla) have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the EU Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or a Residual Entity established in a Member State. In addition, Luxembourg has entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent (within the meaning of the EU Savings Directive) in Luxembourg to, or collected by such a paying agent for, an individual resident or a Residual Entity established in one of those territories.

The European Commission announced on November 13, 2008 proposals to amend the EU Savings Directive. If implemented, the proposed amendments would, *inter alia*, (i) extend the scope of the EU Savings Directive to payments made through certain intermediate structures (whether or not established in an EU Member State) for the ultimate benefit of EU-resident individuals and (ii) provide for a wider definition of interest subject to the EU Savings Directive. The European Parliament approved an amended version of this proposal on April 24, 2009. Discussions are still ongoing at Council level,

building on unanimous conclusions adopted on December 2, 2008 and on June 9, 2009. Investors who are in any doubt as to their position should consult their professional advisors.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

U.S. Internal Revenue Service Circular 230 Disclosure. You are hereby notified that any statement herein regarding any U.S. federal tax is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding any tax-related penalties. Any such statement herein may have been written in connection with the marketing or promotion of the transactions or matters to which the statement relates. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Notes by a U.S. holder (as defined below). This summary deals only with Notes that are held as capital assets (generally, property held for investment) by a U.S. holder who acquires our Notes pursuant to this offering memorandum upon original issuance at their initial offering price. This summary assumes that the issue price of the Fixed Rate Notes and the Floating Rate Notes will be the applicable price for such Notes set forth on the cover page of this offering memorandum.

For purposes of this discussion, a "U.S. holder" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury Regulations (the "Treasury Regulations") to be treated as a U.S. person.

This summary is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations, judicial authority, published administrative positions of the U.S. Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date of this offering memorandum. Changes in such rules, or new interpretations thereof, may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary and there can be no assurance that the IRS or a court will agree with our statements and conclusions or that a court would not sustain any challenge by the IRS in the event of litigation.

This summary is general in nature and does not purport to address all aspects of U.S. federal taxation or all tax considerations that may be relevant to a U.S. holder in light of its particular circumstances. In addition, it does not address the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, banks, financial institutions, individual retirement and other

tax-deferred accounts, regulated investment companies, real estate investment trusts, S corporations, mutual funds, investors in partnerships or other pass-through entities for U.S. income tax purposes, tax-exempt entities or insurance companies;

- tax consequences to persons holding the Notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to a U.S. holder of the Notes whose "functional currency" is not the U.S. dollar;
- tax consequences to U.S. expatriates or entities covered by the U.S. anti-inversion rules;
- tax consequences to persons who are not U.S. holders;
- persons who are resident in Luxembourg, France or any other jurisdiction other than the United States or have a taxable presence therein;
- alternative minimum tax consequences, if any; or
- any U.S. federal tax consequences other than income taxation or any state, local or non-U.S. tax consequences.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds the Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partner and the partnership. If you are a partner of a partnership holding Notes, you should consult your own tax advisor.

The following discussion is for informational purposes only and is not a substitute for careful tax planning and advice. If you are considering the purchase of Notes, you should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under any other federal tax laws or under the laws of any other taxing jurisdiction.

Characterization of the Issuer

The Issuer has filed U.S. Internal Revenue Service Form 8832, electing to be treated as a partnership for U.S. federal tax purposes, effective as of the date of its formation.

Characterization of the Notes

The proper characterization of instruments such as the Notes for U.S. federal income tax purposes is not entirely clear. It is possible that the Notes could, for example, be treated as debt of the Issuer or Ypso France or as an equity interest in the Issuer. Although it is not entirely free from doubt, the Issuer intends to treat the Notes as indebtedness for U.S. federal income tax purposes. This characterization is binding on all U.S. holders unless the U.S. holder discloses on its U.S. federal income tax return that it is treating the Notes in a manner inconsistent with the Issuer's characterization. However, the Issuer's characterization is not binding on the IRS or the courts, and no ruling is being requested from the IRS with respect to the proper characterization of the Notes for U.S. federal income tax purposes. Even if the IRS were to successfully assert that the Notes should not be treated as indebtedness but as equity interests in the Issuer, the tax consequences to, and reporting obligations of, a U.S. holder should be largely similar to those described herein. The following discussion assumes that the Notes will be characterized as indebtedness for U.S. federal income tax purposes. You should consult your own tax advisor regarding the characterization of the Notes and the consequences to you in the event that the Notes are treated as equity of the Issuer for U.S. federal income tax purposes.

Additional Payments

We may be required to pay additional amounts if certain taxes are withheld or deducted from payments on the Notes (as described under "Description of the Notes—Additional Amounts") or make additional payments in redemption of the Notes in addition to their stated principal amount and accrued interest (as described under "Description of the Notes—Repurchase at the Option of Holders—Change of Control" and "Description of the Notes—Optional Redemption"). Although the issue is not free from doubt, we intend to take the position that the possibility of paying such additional amounts, or making additional payments in redemption of the Notes, does not result in the Notes being treated as contingent payment debt instruments under the applicable Treasury Regulations. If we become obligated to pay additional amounts, then we intend to take the position that such amounts will be treated as ordinary interest income and taxed as described below under "—Payments of Stated Interest". If we become obligated to make additional payments in redemption, then we intend to take the position that such payments will be treated as additional proceeds and taxed as described under "—Sale, Exchange or Retirement of Notes". These positions will be based on our determination that, as of the date of the issuance of the Notes, the possibility that additional amounts will have to be paid, or additional payments in redemption of the Notes will have to be made, was a remote or incidental contingency within the meaning of the applicable Treasury Regulations.

Our determination that these contingencies are remote or incidental is binding on a holder, unless the holder explicitly discloses to the IRS on its tax return for the year during which such holder acquires the Notes that it is taking a different position. However, our position is not binding on the IRS. If the IRS takes a contrary position to that described above, a holder may be required to accrue interest income on the Notes based upon a comparable yield, regardless of its method of accounting. The "comparable yield" is the yield at which we would issue a fixed rate debt instrument with no contingent payments, but with terms and conditions otherwise similar to those of the Notes. In addition, any gain on the sale, exchange, redemption or other taxable disposition of the Notes would be recharacterized as ordinary income. Each holder should consult its own tax advisor regarding the tax consequences of the Notes being treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

Payments of Stated Interest

Stated interest on a Note will be included in the gross income of a U.S. holder as ordinary income at the time that such interest is accrued or received, in accordance with the holder's method of accounting for U.S. federal income tax purposes.

If you use the cash basis method of accounting for U.S. federal income tax purposes, you will be required to include in income the U.S. dollar value of the amount received, determined by translating the euros received at the "spot rate" on the date such payment is received regardless of whether the payment is in fact converted into U.S. dollars.

If you use the accrual method of accounting for U.S. federal income tax purposes or are otherwise required to accrue interest prior to receipt, you may determine the amount of income recognized with respect to such stated interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the U.S. dollar value of the stated interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or periods during which such interest accrued. Under the second method, you may elect to translate stated interest income at the spot rate on (i) the last day of the accrual period, (ii) the last day of the taxable year if the accrual period straddles your taxable year or (iii) the date on which the stated interest payment is received if such date is within five business days of the end of the accrual period. This election will apply to all debt obligations you hold from year to year and cannot be

changed without the consent of the IRS. You should consult your own tax advisor as to the availability and advisability of making such election.

Upon receipt of a stated interest payment on a Note (including, upon the sale or exchange of a Note, the receipt of proceeds that include amounts attributable to accrued interest previously included in income), a U.S. holder that uses the accrual method of accounting for tax purposes or is otherwise required to accrue interest prior to receipt generally will recognize foreign currency exchange gain or loss (treated as U.S.-source ordinary income or loss) in an amount equal to the difference between the U.S. dollar value of such payment (determined by translating the euros received at the "spot rate" on the date such payment is received) and the U.S. dollar value of the stated interest income you previously included in income with respect to such payment.

You may be entitled to deduct or credit foreign taxes, if any, imposed on stated interest (including additional amounts), subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your foreign taxes for a particular tax year). Stated interest income (including any additional amounts) on a Note generally will be considered foreign source income and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income. You generally will be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex and this paragraph discusses those rules only at a high level of generality. You are urged to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

Sale, Exchange or Retirement of Notes

If you sell or exchange a Note, or if a Note that you hold is retired, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any amount attributable to accrued but unpaid interest that you have not previously included in income, which will be subject to tax in the manner described under "—Payments of Stated Interest") and your adjusted tax basis in the Note. Your adjusted tax basis in a Note generally will equal the U.S. dollar value of your purchase price for the Note on the date of such purchase, decreased by the U.S. dollar value of the aggregate amount of any payments (other than stated interest) on such Note previously made to you. If you sell or exchange a Note for euros, or receive euros on the retirement of a Note, the amount you will realize for U.S. federal income tax purposes generally will be the U.S. dollar value of the euros that you receive on the date of such sale, exchange or retirement. If the Note is traded on an established securities market, a cash-basis U.S. holder (or, if it so elects, an accrual-basis U.S. holder) will determine the U.S. dollar value of euros paid or received by translating such amount at the spot rate of exchange on the settlement date of the purchase. Any such election made by an accrual-basis U.S. holder must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to foreign currency gain or loss, any gain or loss that you recognize on the sale, exchange or retirement of a Note generally will be U.S.-source capital gain or loss, and will be long-term capital gain or loss if you have held the Note for more than one year on the date of disposition. Long-term capital gains of individuals generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Despite the foregoing, gain or loss that you recognize on the sale, exchange or retirement of a Note generally will be treated as U.S.-source ordinary income or loss to the extent that the gain or loss is foreign currency exchange gain or loss with respect to the principal of a Note. For these purposes, the amount of foreign currency exchange gain or loss recognized generally will be equal to the difference between (i) the U.S. dollar value of your purchase price for the Note calculated in euros as of the date of such sale or exchange and (ii) the U.S. dollar value of your purchase price for the Note

calculated as of the date you purchased the Note. The amount of foreign currency exchange gain or loss will be limited to the amount of overall gain or loss realized on your disposition of the Note.

Reportable Transactions

You may be required to report a sale or other disposition of your Notes (or if you are an accrual-basis U.S. holder, a payment of accrued interest) on IRS Form 8886 (Reportable Transaction Disclosure Statement) if you recognize a loss that equals or exceeds certain threshold amounts (including, in the case of foreign currency exchange loss, U.S.$50,000 in a single transaction for an individual or trust, and higher amounts for non-individual, non-trust taxpayers). You are urged to consult your own tax advisor to determine the reporting obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886.

Foreign Financial Asset Reporting

Legislation enacted in March 2010 imposes new reporting requirements on the holding of certain foreign financial assets, including debt of foreign entities, if the aggregate value of all of these assets exceeds U.S.$50,000. The Notes are expected to constitute foreign financial assets subject to these requirements, unless the Notes are held in an account at a domestic financial institution. U.S. Holders should consult their tax advisors regarding the application of this legislation.

Medicare Contribution Tax

Certain U.S. holders that are individuals, estates or trusts will be required to pay up to an additional 3.8% tax on interest and capital gains for taxable years beginning after December 31, 2012. You are urged to consult your own tax advisor regarding the effect, if any, of new U.S. federal income tax legislation on your ownership and disposition of the Notes.

Backup Withholding and Information Reporting

Payments in respect of the Notes that are made within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding, currently at a rate of 28%, but scheduled to increase to 31% for taxable years beginning after December 31, 2012, unless you (i) properly establish you are a corporation or other exempt recipient or, in the case of backup withholding, (ii) provide an accurate taxpayer identification number and certify that no loss of exemption from backup withholding has occurred.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement (the "Purchase Agreement") to be dated as of the date of this offering memorandum, the Issuer has agreed to sell to each Initial Purchaser, and each Initial Purchaser has agreed, severally and not jointly, to purchase the Notes from the Issuer. The Purchase Agreement provides that the Initial Purchasers are obligated to purchase all of the Notes if any of them are purchased.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The Initial Purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. After the initial Offering, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. The Initial Purchasers may offer and sell Notes through certain of their affiliates. Sales in the United States will be made through registered U.S. broker-dealer affiliates of the Initial Purchasers.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Purchase Agreement provides that the Issuer, Ypso France, Ypso Holding, Numericable and Est Videocommunication will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. The Issuer, solely in respect of itself, and Ypso France, Ypso Holding, Numericable and Est Videocommunication, jointly and severally, have agreed, subject to certain limited exceptions, not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any securities of, or guaranteed by, the Issuer, the Obligors or any of their subsidiaries that are substantially similar to the Notes during the period from the date of the Purchase Agreement through and including the date 45 days after the date of the Purchase Agreement, in each case, without the prior written consent of J.P. Morgan Securities plc.

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to QIBs in reliance on Rule 144A and to certain persons in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under "Notice to Investors".

In relation to each Relevant Member State, each Initial Purchaser has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State, it has not made and will not make an offer to the public of any Notes that are the subject of the Offering contemplated by this offering memorandum in that Relevant Member State other than:

(a) to any legal entity that is a "qualified investor" (as defined in the Prospectus Directive);

(b) to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant persons' provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than "qualified investors" (as defined in the Prospectus Directive)) as permitted under the Prospectus Directive subject to obtaining the prior consent of the Initial Purchasers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall require the Issuer or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression of an "offer of notes to the public" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State; the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State; and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to us; and
- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Each Initial Purchaser has represented, warranted and agreed that neither this offering memorandum nor any other document or material relating to the Offering has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*, are eligible to participate in the Offering. This offer memorandum has not been and will not be submitted to, or approved by, the *Autorité des marchés financiers*.

No action has been taken in any jurisdiction, including the United States, France and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this offering memorandum and resale of the Notes. Please see "Notice to European Economic Area Investors".

The Notes are a new issue of securities for which there currently is no market. We will apply, through our listing agent, to list the Notes on the Official List of the Irish Stock Exchange and trade the Notes on the Irish Stock Exchange's Global Exchange Market; however, we cannot assure you that the Notes will be approved for listing or that such listing will be maintained.

The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without

notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. Please see "Risk Factors—Risks Relating to the Notes and the Additional C2 Facility Loan—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited".

In connection with the Offering, the Stabilizing Manager, or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Notes in the open market to stabilize the price of the Notes. The Stabilizing Manager, or persons acting on its behalf, may also over-allot the Offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Notes in market-making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurances can be given as to the liquidity of, or trading markets for, the Notes. Please see "Risk Factors—Risks Relating to the Notes and the Additional C2 Facility Loan—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited".

The Initial Purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act.

Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchaser to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

The Initial Purchasers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to us and our affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. In connection with our strategy to review and evaluate selective acquisitions and other business combinations, we and our shareholders regularly engage mergers and acquisition advisors and other financial advisors to assist us. Certain of the Initial Purchasers and their affiliates may be currently advising us or other interested parties, and the Initial Purchasers and their affiliates may advise us or other interested parties from time to time on other transactions in the future.

BNP Paribas is the facility agent, security agent and a mandated lead arranger under our Senior Facility Agreement and Morgan Stanley Bank International Limited, an affiliate of Morgan Stanley & Co. International plc, is also a mandated lead arranger thereunder. BNP Paribas, Credit Agricole Corporate and Investment Bank, HSBC Bank plc or an affiliate thereof, Credit Suisse Securities (Europe) Limited or an affiliate thereof, Deutsche Bank AG, London Branch or an affiliate thereof and Morgan Stanley Bank International Limited, are lenders under or hold a trading position in our Senior Facility Agreement, a portion of which will be repaid with the proceeds of this Offering.

In addition, one of the members of the board of managers of Ypso Holding, Hélène Ploix, also serves on the Board of Directors of BNP Paribas S.A., an affiliate of BNP Paribas.

On the Loan Funding Date, the Lending Bank will grant the Additional C2 Facility Loan to Ypso France under the Senior Facility Agreement. The Lending Bank has entered into the Sub-Participation Agreement with the Issuer pursuant to which the Issuer will use the proceeds from the Offering of the Notes, to fund on the Loan Funding Date a sub-participation in the Additional C2 Facility Loan made by the Lending Bank to Ypso France. It is expected that the Issuer will acquire the Additional C2 Facility Loan from the Lending Bank on the day after the Issue Date. The consideration for the transfer of the Additional C2 Facility Loan from the Lending Bank to the Issuer will be satisfied in full by the set-off of the amounts used by the Issuer to fund the sub-participation in the Additional C2 Facility Loan.

We expect that the delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this offering memorandum, which will be five United Kingdom business days following the date of pricing of the Notes (this settlement cycle is being referred to as "T+5"). Trades in the secondary market generally settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this offering memorandum or the next succeeding United Kingdom business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

Investment funds advised by entities affiliated with Altice, Cinven and Carlyle may purchase Notes in the offering at a purchase price per Note equal to the issue price set forth on the cover page of this offering memorandum. The purchase agreement between the Issuer and the Initial Purchasers will not restrict the ability of the investment funds and the affiliates of Altice, Cinven and Carlyle to buy or sell Notes in the future and, as a result, these investment funds and affiliates of Altice, Cinven and Carlyle may buy or sell the Notes in open market transactions at any time following the consummation of the Offering.

INSOLVENCY LAWS OF CERTAIN JURISDICTIONS

The following is a general discussion of insolvency proceedings governed by Luxembourg and French law for informational purposes only and does not address all the Luxembourg and French legal considerations that may be relevant to holders.

Luxembourg

The Issuer is incorporated under the laws of Luxembourg, and as such any insolvency proceedings applicable to such a company is in principle governed by Luxembourg law. The insolvency laws of Luxembourg may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar.

The following is a brief description of certain aspects of insolvency law in Luxembourg. In the event that the Issuer experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Pursuant to Luxembourg insolvency laws, your ability to receive payment under the Notes may be more limited than would be the case under U.S. bankruptcy laws. Under Luxembourg law, the following types of proceedings (collectively referred to as "insolvency proceedings") may be opened against a company incorporated in Luxembourg having its center of main interests in Luxembourg or an establishment within the meaning of the Insolvency Regulation (in relation to secondary proceedings):

- bankruptcy proceedings (*faillite*), the opening of which may be requested by the company or by any of its creditors. Following such a request, the courts having jurisdiction may open bankruptcy proceedings if the Issuer: (i) is in a state of cessation of payments (*cessation des paiements*) and (ii) has lost its commercial creditworthiness (*ébranlement de crédit*). If a court finds that these conditions are satisfied, it may open bankruptcy proceedings *ex officio* (absent a request made by the company or a creditor). The main effect of such proceedings is the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for enforcement by secured creditors and the payment of the secured creditors in accordance with their rank upon realization of the assets;
- controlled management proceedings (*gestion contrôlée*), the opening of which may only be requested by the company and not by its creditors and under which a court may order a provisional suspension of payments, including a stay of enforcement of claims by secured creditors; or
- composition proceedings (*concordat préventif de faillite*), the opening of which may only be requested by the company (subject to obtaining the consent of the majority of its creditors) and not by its creditors themselves. The court's decision to admit a company to composition proceedings triggers a provisional stay on enforcement of claims by creditors.

In addition to these proceedings, your ability to receive payment on the relevant Notes may be affected by a decision of a court to grant a reprieve from payments (*sursis de paiement*) or to put the Issuer into judicial liquidation (*liquidation judiciaire*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity that violates criminal laws or that are in serious breach or violation of the commercial code or of the Luxembourg law dated August 10, 1915 on commercial companies, as amended. The management of such liquidation proceedings will generally follow rules similar to those applicable to bankruptcy proceedings. Liability of the Issuer in respect of the relevant Notes will, in the event of a liquidation of the company following bankruptcy or judicial liquidation proceedings, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those debts of the relevant entity

that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue;
- VAT and other taxes and duties owed to the Luxembourg Customs and Excise;
- social security contributions; and
- remuneration owed to employees.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized).

During such insolvency proceedings, all enforcement measures by unsecured creditors are suspended. The ability of certain secured creditors to enforce their security interest may also be limited, in particular in the event of controlled management proceedings providing expressly that the rights of secured creditors are frozen until a final decision has been taken by the court as to the petition for controlled management, and may be affected thereafter by a reorganization order given by the court. A reorganization order requires the prior approval by more than 50% of the creditors representing more than 50% of the relevant Luxembourg company's liabilities in order to take effect. Furthermore, declarations of default and subsequent acceleration (such as acceleration upon the occurrence of an event of default) may not be enforceable during controlled management proceedings.

Luxembourg insolvency law may affect transactions entered into or payments made by the Issuer during the period before the opening of the insolvency proceedings. If the liquidator or administrator (including, without limitation, in relation to the Issuer, any *commissaire*, *juge-commissaire*, *liquidateur* or *curateur* or similar official) can show that the Issuer has given "preference" to any person by defrauding the rights of creditors generally, regardless of when this fraud occurred, a Luxembourg court has the power to void the "abnormal" transaction. If the liquidator or administrator can show that: (i) a payment in relation to a due debt was made during the hardening period (*période suspecte*, which is a maximum of six months and ten days preceding the judgment declaring the opening of the insolvency proceedings) that is disadvantageous to the general body of creditors; and/or (ii) the party receiving such payment is shown to have known that the bankrupt party had ceased to make payments when such payment occurred, a Luxembourg court has the power, among other things, to void the preferential transaction.

In particular:

- pursuant to article 445 of the Luxembourg Code of Commerce (*code de commerce*), specified transactions (such as, in particular, the granting of a security interest for antecedent payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts that have fallen due by any means other than in cash or by a bill of exchange; the sale of assets without consideration or with substantially inadequate consideration) entered into during the suspect period (or the ten days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;
- pursuant to article 446 of the Luxembourg Code of Commerce, payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt party's cessation of payments;
- pursuant to article 448 of the Luxembourg Code of Commerce and article 1167 of the Civil Code (*action paulienne*) the insolvency receiver (acting on behalf of the creditors) has the right

to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit; and

- pursuant to Article 21(2) of the Luxembourg Act dated August 5, 2005 concerning financial collateral arrangements, as amended, a financial collateral arrangement entered into after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures is valid and binding against third parties, administrators, insolvency receivers or liquidators notwithstanding the suspect period referred to in Articles 445 and 446 of the Luxembourg Code of Commerce, if the collateral taker proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not reasonably be aware of it.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in automatic termination of contracts except for *intuitu personae* contracts, that is, contracts for which the identity of the company or its solvency were crucial. The contracts, therefore, subsist after the bankruptcy order. However, the insolvency receiver may choose to terminate certain contracts so as to avoid worsening the financial situation of the company. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate. Insolvency proceedings may therefore have a material adverse effect on a Luxembourg company's business and assets and the Luxembourg company's respective obligations under the notes.

The bankruptcy receiver decides whether or not to continue performance under ongoing contracts (i.e., contracts existing before the bankruptcy order). The bankruptcy receiver may elect to continue the business of the debtor, provided the bankruptcy receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. However, two exceptions apply:

- the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and
- *intuitu personae* contracts (i.e., contracts whereby the identity of the other party constitutes an essential element upon the signing of the contract) are automatically terminated as of the bankruptcy judgment since the debtor is no longer responsible for the management of the company. Parties can agree to continue to perform under such contracts.

The bankruptcy receiver may elect not to perform the obligations of the bankrupt party that are still to be performed after the bankruptcy under any agreement validly entered into by the bankrupt party prior to the bankruptcy. The counterparty to that agreement may make a claim for damages in the bankruptcy and such claim will rank *pari passu* with claims of all other unsecured creditors and/or seek a court order to have the relevant contract dissolved. The counterparty may not require specific performance of the contract.

International aspects of Luxembourg bankruptcy, controlled management or voluntary arrangement with creditors' proceedings may be subject to the Insolvency Regulation.

Pursuant to the Insolvency Regulation, the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the Member State (other than Denmark) where the company concerned has its "center of main interests" (as that term is used in Article 3(1) of the Insolvency Regulation). The determination of where any such company has its center of main interests is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

The term "center of main interests" is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the Insolvency Regulation that any such company has its center of main interests in the Member State in which it has its registered office, Preamble 13 of the Insolvency Regulation states that the "center of main interests" of a debtor should

correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties". In that respect, factors such as where board meetings are held, the location where a company conducts the majority of its business and the location where the majority of a company's creditors are established may all be relevant in the determination of the place where a company has its center of main interests. The time when a company's center of main interests is determined is at the time that the relevant insolvency proceedings are opened.

If the center of main interests of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the Insolvency Regulation would be opened in such jurisdiction, and, accordingly, a court in such jurisdiction would be entitled to open the types of insolvency proceedings referred to in Annex A to the Insolvency Regulation. Insolvency proceedings opened in one Member State under the Insolvency Regulation are to be recognized in the other Member States (other than Denmark), although secondary proceedings may be opened in another Member State. If the center of main interests of a debtor is in one Member State (other than Denmark) under Article 3(2) of the Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open "secondary proceedings" only in the event that such debtor has an "establishment" (in the meaning of the Insolvency Regulation) in the territory of such other Member State. The effects of those secondary proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. If a company does not have an establishment in any other Member State, no court of any other Member State has jurisdiction to open territorial proceedings in respect of such company under the Insolvency Regulation.

To the extent that our center of main interests is deemed to be outside Luxembourg, courts of such other jurisdictions may have jurisdiction over the insolvency proceedings of such company.

France

The following is a brief description of certain aspects of insolvency proceedings governed by French law. References to the holders below include the holders acting through (or, following foreclosure on the Note Collateral, in place of), the Issuer with respect to the Senior Facility Collateral or the Issuer's rights under the Senior Facility Agreement.

French laws and proceedings affecting creditors include Article 1244-1 of the French Civil Code (*Code civil*), conciliation proceedings (*mandate ad hoc* and *procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), accelerated financial safeguard proceedings (*sauvegarde financière accélérée*) and judicial reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*). In general, French safeguard, accelerated safeguard, reorganization or liquidation legislation favors the continuation of a business and protection of employment over the payment of creditors.

Under the Insolvency Regulation, if a debtor is incorporated in the European Union (other than Denmark), French courts shall have jurisdiction over the main insolvency proceedings if the center of the debtor's main interests is situated in France. In the case of a company or legal person, the place of its registered office is presumed to be the center of main interests in the absence of proof to the contrary. In determining whether the center of main interests of a company is in France, French courts will take into account a broad range of factual elements.

General Considerations

Grace periods. Pursuant to Article 1244-1 of the French Civil Code, French courts may, in any civil or commercial proceeding involving a debtor, whether initiated by the debtor or the creditor thereof, after taking into account the debtor's financial position and the creditor's financial needs, defer or otherwise reschedule the payment dates of payment obligations over a maximum period of two years and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the "legal" rate which is

set every quarter by the French central bank) or that payments made shall first be discharge of principal before interest. If a court order is made under Article 1244-1 of the French Civil Code, it will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by the court.

Out-of-court and in-court proceedings. French law distinguishes between:

- **out-of-court proceedings** (*mandat ad hoc* and *conciliation*), which are voluntary proceedings in which the debtor seeks the help of a third-party to negotiate an agreement with all or part of its creditors with a view to restructuring its indebtedness. These proceedings are confidential. The third-party is appointed by the competent commercial court but the discussions themselves are conducted outside the court; and
- **in-court proceedings** (*procédures collectives*), which are court-administered proceedings, in which the payments by the debtor and legal actions by the creditors are suspended upon the opening of the proceedings (*automatic stay*). These proceedings are public and involve all creditors (except for accelerated safeguard, as discussed below). Within this second category, French law further distinguishes between:
  - *safeguard proceedings and accelerated safeguard proceedings*, which are voluntary proceedings and available to debtors that are facing difficulties they cannot overcome but that are not insolvent (as defined below); and
  - *judicial reorganization or judicial liquidation proceedings,* which are mandatory proceedings and must be opened by debtors that are insolvent.

Insolvency test. Under French law, a company is considered to be "insolvent" (*en état de cessation des paiements*) when it is unable to pay its debts as they fall due with its available assets taking into account available credit lines and existing rescheduling agreements.

A company is required to petition for judicial reorganization or judicial liquidation proceedings within 45 days of becoming insolvent unless it has petitioned for conciliation proceedings within the same 45-day period.

Out-of-Court Proceedings

Mandat ad hoc. A company that is facing any type of difficulties may petition the competent commercial court for the appointment of an ad hoc agent (*mandataire ad hoc*). The scope of work of the ad hoc agent is determined by the court. The ad hoc agent has no legal coercive power over the creditors. Creditors are not barred from taking legal action against the company to recover their claims but, in practice, they usually agree to a standstill. If the negotiations are successful the parties typically enter into a restructuring agreement which is confidential and not sanctioned by the commercial court.

Conciliation Proceedings. A company may voluntarily file for the opening of conciliation proceedings (*procédure de conciliation*), provided it (i) is not insolvent, or has been insolvent for fewer than 45 days and (ii) experiences or anticipates legal, economic or financial difficulties. As for the *mandat ad hoc*, the commercial court will appoint a third-party (*conciliateur*) which has no coercive power. If the negotiations are successful the parties typically enter into a restructuring agreement, which will be either acknowledged (*constaté*) by the president of the court or approved (*homologué*) by the court.

The acknowledgement of the agreement by the president of the court gives the agreement the legal force of a final judgment, which means that it constitutes a judicial title (*titre exécutoire*) that can be enforced by the parties without further recourse to a judge, but the conciliation proceedings remain confidential.

The approval (*homologation*) by the court will make the conciliation proceedings public and may have the following specific consequences:

- creditors who provide new money, goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity) may be granted a priority of payment over all pre-proceeding and post-proceeding claims (other than certain post-proceeding employment claims and procedural costs), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings; and
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the commercial court may not determine that the date of insolvency is earlier than the date of the approval of the restructuring agreement by the court.

An obligor or third party having guaranteed the obligations of the company whose conciliation agreement has been acknowledged or approved may rely on the provisions of such agreement.

In-Court Proceedings

Safeguard Proceedings. A company may voluntarily file for the opening of safeguard proceedings (*procédure de sauvegarde*), provided it (i) is not insolvent and (ii) experiences difficulties that it is not able to overcome (which do not require the company to demonstrate that these difficulties would be likely to lead to its insolvency if safeguard proceedings were not opened). Creditors of the company do not attend the hearing before the court at which the opening of safeguard proceedings is requested. Following the opening of safeguard proceedings, a court-appointed administrator investigates the business of the company during an initial observation period, which may last up to six months, renewable for an additional six months with court approval and which can be extended an additional six months (for a maximum duration of the proceedings of 18 months), and helps the company to draw up a draft safeguard plan (*projet de plan de sauvegarde*). Creditors do not have effective control of the procedure, which remains in the hands of the company and the administrator and is overseen by the court.

During the safeguard proceedings, payments by the debtor of any debts incurred prior to the opening of the procedure are prohibited, subject to limited exceptions. The bankruptcy judge can authorize payments for prior debts in order to discharge a lien on property needed for a continued operation of the business or recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*). Debts arising after the commencement of the safeguard proceedings and which relate to expenses necessary for the business's ordinary activities or are for the requirements of the proceedings must be paid as and when they fall due and, if such is not the case, they will be given priority over debts incurred prior to the commencement of the safeguard proceedings.

In the case of large companies (with more than 150 employees or a turnover greater than €20 million) or upon request of the debtor or the administrator, two creditors' committees (one for credit institutions (or assimilated institutions and entities having granted credit or advances in favor of the debtor) and their successive assignees having a claim against the debtor and the other for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers) will then be established. It is expected that the Issuer (or the holders of the Notes following the enforcement over the Note Collateral) would be part of the credit institutions' committee. These committees will be consulted on the safeguard plan drafted by the debtor's management during the observation period.

The committees must announce whether they approve or reject the safeguard plan within a minimum of 15 days of its proposal. The plan is approved when members of each committee voting in favor of the plan account for at least two-thirds of the outstanding claims of the creditors expressing a

vote. Each committee votes on a euro-for-euro basis whether or not claims are subordinated and/or secured/unsecured. Amounts of claims secured by a trust (*fiducie*) created by the debtor to secure certain creditors are not taken into account.

If there are any bondholders, they will be grouped together (whether or not they are subordinated, secured or unsecured) and be required to vote on the plan during a general meeting of all bondholders (even if they relate to different issues and regardless of the law applicable to each issue) held for that purpose and approve the plan with a majority vote of two-thirds of the outstanding claims of the bondholders expressing a vote. Approval of the plan by the two-thirds majority shall, if the plan is approved by the court, bind all the members of the committees and the bondholders (including those who voted against the adoption of the plan). The plan submitted to the committees and the bondholders, if any, must take into consideration subordination agreements entered into between creditors before commencement of the proceedings and may include the rescheduling or cancellation of debts, and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent) and may treat creditors differently if it is justified by their differences in situation.

Creditors for whom the plan does not provide any modification of their prepayment schedules or provides for a complete reimbursement in cash of their claims as soon as the plan is adopted or as soon as their claims are admitted are not entitled to vote on the plan. If, within the first six months of the observation period, the creditors' committees and, as the case may be, the bondholders' group, approve the plan, and subject to verification by the court that the interests of all creditors are sufficiently safeguarded and to a rescheduling of the claim of creditors that are not members of the committees or bondholders as discussed hereafter, the court will approve the plan. With respect to creditors who are not members of the committees, or in the event no committees are established, proposals are made to each creditor individually.

For those individual creditors who have not reached a negotiated agreement, the court can reschedule payment of their debts over a maximum period of ten years, except for debts with maturity dates of more than ten years, in which case the maturity date may remain the same. The court cannot force creditors to waive all or part of their claim. The first payment must be made within a year of the judgment adopting the plan (as from the third year, the amount of each annual installment must be of at least 5% of the total amount of the debt claim).

In the event that the debtor company's proposed plan is not approved by both committees and the general meeting of bondholders within the first six months of the observation period, either because they do not vote on the plan or because they reject it, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such circumstances the rules are the same as the ones applicable to creditors that are not part of the committees and are not bondholders and, in particular, the court can only impose a rescheduling of the repayment of the debts over a maximum period of ten years (as described in the preceding paragraphs).

In the event that safeguard (or judicial reorganization) proceedings are opened for the benefit of Ypso France and creditors' committees are established, it is anticipated that the Issuer, the Notes Security Agent or the holders (as applicable), as the legal owners of the debt claim resulting from the Additional C1 Facility Loan and the Additional C2 Facility Loan (including following enforcement of the Note Collateral), would be members of the credit institutions committee in such proceedings. As such, they will not be treated as bondholders of Ypso France and will not take part in the general meeting of bondholders, if any. The Issuer, Notes Security Agent and the holders (as applicable) are therefore in a different position from the position they would have been in if the Notes had been issued directly by Ypso France. If the Notes had been issued directly by Ypso France, holders would not be a member of the credit institutions committee; instead, they would vote on any draft plan proposed by Ypso France as members of the group of bondholders.

A draft plan (the approval of which would require a two-thirds majority vote of each committee and the group of the bondholders) prepared by Ypso France's management and proposed by Ypso France to its creditors could include, among others, debt rescheduling or cancellation of debts, and/or debt-for-equity swaps. If the Notes had been issued directly by Ypso France, holders of the Notes could potentially, as members of the group of bondholders, veto such plan if they would represent a two-thirds majority vote of all bondholders. Instead, as members of the credit institutions committee, the Issuer, the Notes Security Agent or the holders (as applicable) will vote alongside other bank lenders of Ypso France (including lenders under the Senior Facility Agreement) and, if the requisite majority is obtained in each committee and in the general meeting of the bondholders and the plan is subsequently approved by the relevant court, the plan will bind all the creditors of Ypso France (including bondholders and the members of the creditor's committees, including the holders, who voted against the adoption of the plan during the vote taken by the applicable general meeting of bondholders or committee). The lenders under the Bank Facilities may have interests that are different from the interests of the holders. As of June 30, 2012, after giving effect to the Refinancing, the issuance of the Notes and the use of gross proceeds therefrom, the Additional C1 Facility Loan and the Additional C2 Facility Loan would have represented approximately 32% of the total outstanding indebtedness under the Senior Facility Agreement.

As a general matter, only the legal owner of the bank debt claim will be invited onto the credit institutions committee. Accordingly, a person holding only an economic interest therein will not itself be a member of the credit institutions committee.

Accelerated Financial Safeguard Proceeding. Envisaged as a means of facilitating "pre-pack" bankruptcies in France, accelerated financial safeguard (the "AFS") permits a debtor, the majority but not all of the financial creditors of which support a conciliation agreement, to rapidly begin a safeguard procedure, allowing a restructuring plan to be approved by the two-thirds vote of the creditors applicable in safeguard proceedings. Only financial creditors (e.g., creditors members of the credit institutions committee and bondholders) are implicated in such a restructuring plan, and an AFS filing does not entail suspension of payments to creditors other than financial creditors (e.g., suppliers).

As with a traditional safeguard procedure, the plan adopted in the context of an AFS may provide for rescheduling, debt reduction and conversion of debt into equity capital in the debtor company.

In order to file for AFS, the debtor company must (i) be subject to a conciliation proceeding; (ii) not be insolvent; (iii) face financial difficulties that it finds itself unable to overcome; (iv) have (w) a minimum annual turnover (currently €20 million calculated on an unconsolidated basis), (x) a minimum number of employees (currently 150 employees), (y) minimum net assets of €25 million on a unconsolidated basis or (z) minimum net assets of €10 million on an unconsolidated basis if it controls a subsidiary that actually meets one of the requirements set forth in (w), (x), or (y); and (v) justify that it has prepared a safeguard plan ensuring the continued operation of the company as a going concern, which has enough support from its credit institution creditors and its bondholders that the plan is reasonably likely to be adopted within one, or a maximum of two, months.

Only financial creditors that are members of the committee of credit institutions (or assimilated) and group of bondholders as mentioned above, are involved in the AFS. Financial creditors and bondholders will vote on the restructuring plan as described above.

Other creditors are not involved or impacted by the AFS. Their claims will continue to be due and payable according to their contractual or legal terms.

As AFS is by its nature an accelerated procedure, very tight deadlines are imposed. The commercial court must approve any restructuring plan within one month of the date on which the procedure is begun; this deadline may be extended by up to a maximum of one additional month. If a

plan is not adopted by the creditors and approved by the court within such deadlines, the court is obligated to terminate the procedure.

Judicial Reorganization or Liquidation Proceedings. Judicial reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*) may be initiated against or by a company if it is insolvent. The company is required to petition for insolvency proceedings (or for conciliation proceedings as discussed above) within 45 days of becoming insolvent. If it does not, de jure managers (including directors) and, as the case may be, de facto managers are subject to civil liability.

The date of insolvency (*cessation des paiements*) is deemed to be the date of the court order commencing proceedings, unless the court sets an earlier date, which may be up to 18 months before the date of the court order. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (*homologation*) in the context of a conciliation procedure. The date of insolvency is important because it marks the beginning of the hardening period (*période suspecte*). Certain transactions undertaken during the "hardening" or "suspect" period may become void or voidable (please see "—Void and Voidable Transactions" below).

The court order commencing the proceedings may order either the liquidation or the reorganization of the company. In the event of reorganization, an administrator appointed by the court investigates the business of the company during an initial observation period, which may last up to 18 months, and makes proposals for either the reorganization of the company (by helping the debtor to draw up a reorganization plan, which is similar to a safeguard plan; see above), or the sale of the business or the liquidation of the company. If it appears that the debtor is not able to insure the recovery of its business, a total or partial sale of the business can be ordered by the court, at the request of the court-appointed administrator. In this case, the sale is conducted by the court-appointed representative of the creditors in accordance with rules applicable to the liquidation procedure.

In judicial reorganization proceedings, committees of creditors may be created as for safeguard proceedings (see above). At any time during this observation period, the court can order the liquidation of the company. At the end of the observation period, the outcome of the proceedings is decided by the court.

The aim of a liquidation proceeding is to liquidate the debtor by selling its business, as a whole or per branch of activity, or its assets one by one. The bankruptcy court may commence a judicial liquidation rather than a judicial reorganization when it considers that the debtor is unable to continue its business or that there are no serious chances of improving the company's prospects through restructuring. The court may commence a liquidation procedure on its own following the failure of a conciliation procedure.

Both the judicial reorganization and the liquidation trigger an automatic stay of proceedings for the benefit of the debtor. However, in a judicial liquidation proceeding secured creditors benefiting from a pledge are, where the applicable security arrangements so contemplate, may request to enforce their security interest through a court-monitored allocation process (*attribution judiciaire*) (i.e., request the court to transfer ownership of the pledged asset).

Void and Voidable Transactions. Void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration, contracts under which the reciprocal obligations of the company significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner that is not commonly used in the ordinary course of business, security granted for debts previously incurred and any provisional measures, unless the writ of attachment or seizure predates the date of insolvency.

Voidable transactions include transactions or payments for due debts, if the party dealing with the company knew or should have known that it was insolvent at the time the transaction was entered into

or at the time the payment is made. Transactions relating to the transfer of assets for no consideration are also voidable when entered into during the six-month period prior to the beginning of the hardening period.

In addition, even if they are entered into at a time when the grantor is not insolvent, guarantees, should they be considered disproportionate, could be voided or reduced by the insolvency court once insolvency proceedings are opened against their grantor.

Status of Creditors During In-Court Proceedings (Safeguard, Accelerated Safeguard Proceedings, Judicial Reorganization or Judicial Liquidation)

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of the proceedings must file a claim with the court-appointed *mandataire judiciaire* within two months of the publication of the court order in the *Bulletin Officiel des Annonces Civiles et Commerciales*; this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are barred from receiving distributions made in accordance with the proceedings. Employees are not subject to such limits and are preferential creditors under French law.

From the date of the court order commencing the insolvency proceedings (*sauvegarde*, *redressement* or *liquidation judiciaire* proceedings), the company is prohibited from paying debts outstanding prior to that date, subject to specified exceptions, which essentially concern the set-off of interrelated debts and payments made to recover assets for which recovery is justified by the continued operation of the business, *provided* that such payments are authorized by the court. During this period, creditors may not pursue any legal action against the company with respect to any claim arising prior to the court order commencing the proceedings if the objective of such legal action is:

- to obtain an order for or payment of a sum of money by the company to the creditor (however, the creditor may require that a court fix the amount due); or
- to terminate a contract for nonpayment of amounts owed by the company, or to enforce the creditor's rights against any assets of the company.

In AFS proceedings, however:

(i) debts owed to creditors other than banks, financial institutions or bondholders should be paid in the ordinary course; and

(ii) the debtor draws a list of the claims of its creditors having participated in the conciliation proceedings, which is certified by its statutory auditors and filed with the commercial court and which is deemed to be a filing of their claim by such creditors if they do not file their claim within the general deadlines applicable in other insolvency proceedings referred to above.

Contractual provisions providing that a debtor's obligations become due and payable upon the opening of a safeguard proceeding, judicial reorganization or liquidation proceedings, or insolvency (*cessation des paiements*) are not enforceable under French law. The opening of a liquidation proceeding, however, automatically accelerates the maturity of all of the debtor's obligations unless the continued operation of the business with a view to the adoption of a "plan of sale of the business" (*plan de cession*) is ordered by the court, in which case the acceleration of the obligations will only occur on the date of the court decision adopting the plan of sale of the business or on the date on which the continued operation of the business ends.

The administrator may elect to terminate or, provided that the company fully performs its post-petition contractual obligations, continue ongoing contracts (*contrats en cours*).

If the court adopts a plan of sale of the business, the proceeds from the sale will be allocated for the payment of creditors according to their ranking. In particular, employees, officials appointed by the insolvency court, post-petition creditors and the French Treasury are given priority.

If the court decides to order the judicial liquidation of the company, the court will appoint a liquidator to sell the assets of the company and settle the relevant debts in accordance with their ranking.

Credit Providers' Liability

Pursuant to article L. 650-1 of the French Commercial Code (*Code de commerce*), where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors having provided financing to the debtor may only be held liable for the losses suffered as a result of the provision of such financings on the following grounds: (i) fraud; (ii) wrongful interference with the management of the debtor; and (iii) the security or guarantees taken to support the facilities are disproportionate to such facilities.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Kirkland & Ellis International LLP as to matters of U.S. federal and New York state law; by Allen & Overy LLP as to matters of Belgian, English and French law; by Luther as to matters of Luxembourg law; and by Loyens & Loeff as to matters of Dutch law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP as to matters of U.S. federal, New York state and English law; by Latham & Watkins AARPI as to matters of French law; and by Nauta Dutilh as to matters of Luxembourg law.

INDEPENDENT AUDITORS

The opening balance sheet of the Issuer as of January 31, 2012 included in this offering memorandum has been audited by Deloitte Audit, *société à responsabilité limitée*, as stated in their report appearing herein. The unaudited interim financial information of the Issuer as of June 30, 2012 and for the period from incorporation to June 30, 2012 included in this offering memorandum has been subject to a limited review by Deloitte Audit, *société à responsabilité limitée*, as stated in their report appearing herein. The consolidated financial statements of Ypso France as of and for the three years ended December 31, 2009, 2010 and 2011 included in this offering memorandum have been audited by Deloitte & Associés, statutory auditors, a member of the *Compagnie Nationale des Commissaires aux Comptes*, as stated in their report appearing herein.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The companies in our Group are organized under the laws of France and Luxembourg and the Issuer is an unregulated securitization company in the form of a corporate partnership limited by shares (*société en commandite par actions*) under the laws of Luxembourg. All of our directors and executive officers are nonresidents of the United States and a substantial portion of the assets of such persons are located outside the United States. As a consequence, you may not be able to effect service of process on these non-U.S. resident directors and officers in the United States or to enforce judgments against them outside of the United States, including judgments of the U.S. courts predicated upon the civil liability provisions of the U.S. securities laws.

Our French counsel has advised us that the United States and France are not party to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in France. A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de grande instance*). Enforcement in France of such U.S. judgment could be obtained following proper (i.e., non-*ex parte*) proceedings if the civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter in accordance with French rules of international conflicts of jurisdiction (including, without limitation, whether the dispute is clearly connected to the United States) and the French courts did not have exclusive jurisdiction over the matter;
- the court that rendered such judgment has applied a law that would have been considered appropriate under French rules of international conflicts of laws;
- such U.S. judgment does not contravene French international public policy rules, pertaining both to the merits and to the procedure of the case;
- such U.S. judgment is not tainted with fraud; and
- such U.S. judgment does not conflict with a French judgment or a foreign judgment that has become effective in France and there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and No. 2000-916 of September 19, 2000 (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action.

We have been advised by our French counsel that if an original action is brought in France, French courts may refuse to apply the designated law if its application contravenes French public policy. In an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all of the remedies sought.

Our French counsel has also advised us that according to articles 14 and 15 of the French Civil Code, in the event that a party brings an action outside France against a French national (either a company or an individual), the latter may refuse to be brought before non-French courts and require the complainant to bring its action in France; in addition, a French national may decide to bring an

action before the French courts, regardless of the nationality of the defendant. The French national may waive its rights to refuse to be brought before a non-French court or to bring an action before a French court against a non-French defendant.

Luxembourg

The Issuer is an unregulated securitization company in the form of a corporate partnership limited by shares (*société en commandite par actions*) incorporated and established under the laws of Luxembourg, subject to the Luxembourg Act of March 22, 2004 on securitization, as amended, and it may be difficult for you to obtain or enforce judgments against it or its directors in the United States.

It may, however, be possible for investors to effect service of process within Luxembourg upon the Guarantors provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

As there is no treaty in force on the reciprocal recognition and enforcement of judgments in civil and commercial matters between the United States and the Grand Duchy of Luxembourg, courts in Luxembourg will not automatically recognize and enforce a final judgment rendered by a U.S. court. A valid judgment against an issuer incorporated in Luxembourg with respect to the Notes obtained from a court of competent jurisdiction in the United States, which judgment remains in full force and effect after all appeals as may be taken in the relevant state or federal jurisdiction with respect thereto have been taken, may be entered and enforced through a court of competent jurisdiction of Luxembourg, subject to compliance with the enforcement procedures (*exequatur*) set forth in Article 678 *et seq.* of the Luxembourg New Code of Civil Procedure (*Nouveau Code de Procédure Civile*), being:

- the U.S. court has applied the substantive law as designated by the Luxembourg conflict of laws rules;
- the U.S. court has acted in accordance with its own procedural laws;
- the U.S. court order or judgment must not result from an evasion of Luxembourg law (*fraude à la loi*);
- the U.S. court awarding the judgment has jurisdiction to adjudicate the particular matter under its applicable laws, and such jurisdiction is recognized by Luxembourg private international and local law;
- the judgment is enforceable in the jurisdiction where the decision has been rendered;
- the judgment was obtained in compliance with the rights of the defendant, i.e., following proceedings at which the defendant had the opportunity to appear, was granted the necessary time to prepare its case and, if it appeared, could present a defense; and
- the considerations of the foreign order as well as the judgment do not contravene international public policy as understood under the laws of Luxembourg or have been given in proceedings of a criminal or tax nature.

We have also been advised by our Luxembourg counsel that if an original action is brought in Luxembourg, Luxembourg courts may refuse to apply the designated law if its application contravenes Luxembourg's international public policy. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

LISTING AND GENERAL INFORMATION

Listing

The Issuer was established and registered in Luxembourg as an unregulated securitization company in the form of a corporate partnership limited by shares (*société en commandite par actions*) on January 31, 2012. The Issuer's registered office is 13-15 Avenue de la Liberté, L-1931 Luxembourg and its telephone number is +352 2689 0155.

Ypso France, which is wholly owned by Ypso Holding, was incorporated in France on July 8, 2008 as a limited liability company (*société par actions simplifiée*). Ypso France's registered office is 6-10 rue Albert Einstein, 77420 Champs sur Marne, France, and its telephone number is +33 (1) 7000 7007.

Application will be made for the Notes to be listed on the Official List of the Irish Stock Exchange and to be admitted for trading on the Irish Stock Exchange's Global Exchange Market.

So long as the Notes are listed on the Official List of the Irish Stock Exchange and are traded on the Irish Stock Exchange's Global Exchange Market and the rules of such exchange shall so require, copies of the following documents may be inspected and obtained free of charge at the registered office of the listing agent referred to in below during normal business hours on any business day:

- our organizational documents;
- our most recent audited financial statements and any interim quarterly financial statements published by us; and
- the Indenture relating to the Notes.

We have appointed Dillon Eustace Solicitors as listing agent. Their registered address is 33 Sir Rogerson's Quay, Dublin, Ireland.

The issuance of the Notes offered hereby was authorized by our board of managers on October 17, 2012. The total expenses related to the admission of the Notes to trading on the Irish Stock Exchange are expected to be less than €10,000.

Except as disclosed in this offering memorandum, we have not been involved in any governmental, legal or arbitration proceeding relating to claims or amounts that, individually or in the aggregate, are material in the context of the issuance of the Notes and may have, or have had during the twelve months preceding the date of this offering memorandum, a significant effect on our financial position. So far as we are aware, having made all reasonable inquiries, there are no such litigation, arbitration or governmental proceedings pending or threatened.

As of the date of this offering memorandum, our most recent audited financial statements available were as of and for the year ended December 31, 2011. Except as disclosed in this offering memorandum, there has been no significant or material adverse change in our financial position since December 31, 2011.

The Issuer accepts responsibility for the information contained in this offering memorandum. To the best of the Issuer's knowledge and belief, the information contained in this offering memorandum with regard to the Issuer is in accordance with the facts and does not omit anything likely to affect the import of such information. However, the information set forth under the headings "Exchange Rate Information", "Summary", "Operating and Financial Review and Prospects", "Industry, Competition and Market Overview" and "Business" includes extracts from information and data, including industry and market data, released by publicly available sources in Europe and elsewhere. While the Issuer accepts responsibility for the accurate extraction and summarization of such information and data, the Issuer has not independently verified the accuracy of such information and data and does not accept further responsibility in respect thereof.

The trustee is Citibank, N.A., London Branch and its address is 14th Floor, Citigroup Centre, 25 Canada Square, London E14 5LB, United Kingdom. The trustee will be acting in its capacity of trustee for the holders of the Notes and will provide such services to the holders of the Notes as described in the Indenture.

Clearing Information

The Global Notes sold pursuant to Regulation S and Rule 144A under the U.S. Securities Act have been accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below:

	ISIN	Common Codes
Rule 144A Fixed Rate Global Note	XS0783933863	078393386
Rule 144A Floating Rate Global Note	XS0783933517	078393351
Regulation S Fixed Rate Global Note	XS0783933780	078393378
Regulation S Floating Rate Global Note	XS0783933608	078393360

GLOSSARY

"3D-TV"	Three-dimensional television is a technology used to project a television program into a realistic three- dimensional field.
"ADSL" (Asymmetrical Digital Subscriber Line)	ADSL is the most commonly used variant of DSL; an Internet access technology that allows voice and high-speed data to be sent simultaneously over loval paper copper telephone line. Asymmetric Digital Subscriber Lines normally have three to four times more bandwidth for downloading data than uploading.
"All-IP"	All services (Internet, telecommunications and video) are carried through Internet Protocol by a federative IP backbone.
"Analog"	Comes from the word "analogous". In telephone transmission, the signal being transmitted (voice, video or image) is "analogous" to the original signal.
"ARPU" (Average Revenue Per User)	The average revenue per users is a measure used to evaluate how effectively we are realizing potential revenues from our direct digital subscribers. It is calculated on yearly and quarterly bases by dividing our total direct digital subscription-related revenue, excluding installation and carriage fees, for the period considered by the number of our direct digital subscribers served in that period.
"Backbone"	The principal data routes between large, interconnected networks.
"Backbone network"	Fiber optic backbone transmission network for long distance and very high capacity.
"Bit" (BInary DigiT)	Elementary information unit with binary coding (0 or 1) used by digital systems.
"Broadband"	A general term used to describe wide bandwidth equipment or systems which can carry a large proportion of the electromagnetic spectrum. Broadband communications systems can deliver multiple channels and other services.
"Broadband router"	A device that provides access to the Internet for multiple computers. It typically includes a network switch with several Ethernet ports for wired connections to desktop and laptop computers. The router also provides network address translation, which allows multiple users to reach the Internet with one public IP address assigned by the cable or telephone company to the service.
"Bulk subscriber"	Cable customers through a collective contract passed between a cable operator and a property agent or housing association.

"Cable TV"	A broadband network employing radio-frequency transmission over coaxial and/or fiber-optic cable to transmit multiple channels carrying images, sound and data between a central facility and individual customers' television sets.
"Catch-Up Television"	A television service that allows watching some programs after they were broadcasted.
"Churn"	The discontinuance of services to a customer either voluntarily or involuntarily. It is the percentage measure of the number of subscribers disconnected during a particular period (either at the subscriber's request or due to a termination of the subscription by us) divided by the number of subscribers, excluding transfers between our products, during such period.
"Coaxial Cable"	Electrical cable with an inner conductor, surrounded by a tubular insulating layer.
"CPE" (Customer Premises Equipment)	Material set up at the customer's home which provides broadband services use such as voice ports, channel banks, set-top boxes, cable broadband routers or embedded Multimedia Terminal Adaptor.
"Digital"	The use of a binary code to represent information in telecommunications recording and computing. Analog signals, such as voice or music, are encoded digitally by sampling the voice or music analog signals many times a second and assigning a number to each sample. Recording or transmitting information digitally has two major benefits: first, digital signals can be reproduced more precisely so digital transmission is "cleaner" than analog transmission and the electronic circuitry necessary to handle digital is becoming cheaper and more powerful; and second, digital signals require less transmission capacity than analog signals.
"DSL" (Digital Subscriber Line)	DSL is generic name for a range of digital technologies relating to the transmission of Internet and data signals from the telecommunications service provider's central office to the end customer's premises over the standard copper wire used for voice services.
"DTT" (Digital Terrestrial Television)	A terrestrial broadcasting mode using digital technology, in which video and audio signals are digitized and organized within a single stream. They are then modulated and broadcasted terrestrially (through airwaves). DTT provides a clearer picture and superior sound quality when compared to analog television, with less interference. DTT is an alternative to receiving broadcasts through cable and satellite operators.
"Dual-play"	Broadband subscriber package including two services: Internet access and IP telephony.
"Edge"	Enhanced Data rates for GSM Evolution.

"Ethernet"	Technology for local network connections originally developed by Xerox, with computers connected by a combination of network interface cards installed on each PC and by coaxial cables linking the workstations at a rate of 10 Mbits/s. In an Ethernet network, each workstation may initiate a transmission at any time.
"EuroDocsis 2.0"	International telecommunications standard that permits the addition of high-speed data transfer to an existing cable television system. EuroDocsis 2.0 broadband routers have the capacity to achieve download speeds of up to 30Mbits/s with the use of one downstream port. EuroDocsis 2.0B (or "wide-band Docsis") broadband routers have the capacity to achieve download speeds of up to 100Mbits/s with the use of three downstream ports.
"EuroDocsis 3.0"	International telecommunications standard that permits the addition of high-speed data transfer to an existing cable television system. EuroDocsis 3.0 broadband routers have the capacity to achieve download speeds of up to 400Mbits/s with the use of eight downstream ports.
"Free-to-air"	Transmission of content for which television viewers are not required to pay a fee for receiving transmissions.
"FTTB" (Fiber-To-The-Building)	Fiber optics to the entry point of a building.
"FTTH" (Fiber-To-The-Home)	Connection by optical fiber directly to the subscriber's home, ensuring very-high-speed transmission compatible with triple play packages.
"Gbits/s"	Billions of bits (109) transferred per second on a transmission network. Please see "—Bit".
"GHz" (gigahertz)	One billion hertz (a unit of frequency).
"GPRS" (General Packet Radio Services)	A packet-based telecommunications service designed to send and receive data at rates from 56 Kbps to 114Kbps that allows continuous connection to the Internet for mobile phone and computer users. GPRS is a specification for data transfer over GSM networks.
"GSM" (Global System for Mobile Communications)	A comprehensive digital network for the operation of all aspects of a cellular telephone system.
"HD" (High Definition)	A technology used notably in video, television and photography that has a resolution substantially higher than that of standard systems and is capable of producing an image characterized by fine detail, greater quality and better sound reproduction where applicable.

"HDTV" (High Definition Television) .	A type of television image transmission that uses HD resolution. HDTV has twice as many scan lines per frame as a standard-definition television system, a sharper image, better sound reproduction and a wide-screen format.
"Head-ends"	A collection of satellite hardware, typically including a dish, satellite receivers, modulators and amplifiers which collects, processes and combines signals for distribution within the cable network.
"HFC" (Hybrid Fiber Coaxial)	A technology developed by the cable TV industry to provide two-way high-speed data access to the home using a combination of fiber optics and traditional coaxial cable.
"Homes connected"	A home is deemed "connected" if it can be connected to the distribution system without further extension of the network.
"HSPA" (High Speed Packet Access) .	A collection of two mobile telephony protocols that provides enhanced download and upload speed.
"IP" (Internet Protocol)	Internet Protocol is used for communicating data across a packet-switched network. It is used for transmitting data over the Internet and other similar networks. The data are broken down into data packets, each data packet is assigned an individual address, and then the data packets are transmitted independently and finally reassembled at the destination.
"IPTV" (Internet Protocol Television) .	The transmission of television content using IP over a network infrastructure, such as a broadband connection.
"IRU" (Indefeasible Right of Use) . .	Long-term contract ensuring the temporary ownership, over the term of the contract, of a portion of the capacities of an international cable.
"ISDN" (Integrated Service Digital Network)	Digital network for the transmission of integrated information: data, voice and video.
"IT" (Information Technology)	A general term referring to the use of various software and hardware components when used in a business.
"Local loop"	Section of the telephone network connecting the local telephone switch to individual subscriber households.
"MB"(megabyte)	Megabyte, commonly abbreviated as MB, is a multiple of the unit byte for digital information storage or transmission, generally used to refer to for computer storage. A megabyte (MB) is different from a megabit (Mbit): a byte is a unit of information which is defined as a multiple of a bit (one byte equals eight bits).
"Mbits/s"	Megabits per second; a unit of data transfer rate equal 1,000,000 bits per second. The bandwidths of broadband networks are often indicated in Mbits, or Mbits/s. Please see "—Bit".

"MNO" (Mobile Network Operator) .	A provider of mobile telephony services that provides such services on its own physical network.
"Multiple-play" or "multi-play"	Access solution for multiple services (Internet, television and VoIP) through a single broadband access point.
"MVNO" (Mobile Virtual Network Operator)	Mobile operators that use third-party network infrastructures to provide their own mobile telephone services.
"OTT content" or "over-the-top content"	Broadband delivery of video and audio without the Internet service provider being involved in the control or distribution of the content itself. It refers to content received from a third-party and delivered to the end-user device with the Internet provider being exclusively responsible for transporting IP packets.
"Quadruple-play"	Triple-play and mobile telephony.
"Return path"	A communication connection that carries signals from the subscriber back to the operator.
"RGU" (Revenue Generating Unit) .	Each subscriber receiving cable TV, broadband Internet or telephony services over our network. Thus, one subscriber who receives all our services would be counted as three RGUs.
"Smart card"	A pocket-sized card with embedded integrated circuits which, when used with a digital receiver, enables our subscribers to decrypt and receive our digital television service.
"SMS" (Short Message Service)	A system that allows mobile telephone users to send and receive text messages between wireless devices.
"SOHO" (Small Office, Home Office)	The computing market for very small companies (fewer than 12 employees).
"Set-top box"	The electronics box which connects television to incoming digital video signal.
"Symmetric regulation"	Regulation applicable to all operators offering the same service, in contrast to asymmetric regulation, applicable only to operators recognized as having significant market power by a regulatory authority.
"Triple-play"	Subscriber offering telephony, Internet and cable TV services through one access channel.
"UMTS" (Universal Mobile Telecommunications System)	Third generation (3G) mobile telephony standard enabling high-volume communication (up to 2 Mbits/s in theoretical symmetrical flow) on frequency bands of 1.9 to 2.2 GHz.
"unlimited"	With respect to quadruple-play packages, refers to unlimited calls within the limit of a fair usage, as is customarily applied in the French mobile market.

"VOD" (Video-On-Demand)	VOD is service that provides subscribers with enhanced playback functionality and gives them access to a broad array of on-demand programming.
"VoIP" (Voice over Internet Protocol) .	The transportation of voice services using IP technologies.
"White Label"	A production service produced by one entity, the producer, that another entity, the marketer, rebrands and distributes to make it appear as if it had made it.
"Wi-Fi" (Wireless-Fidelity)	Technology enabling the connection of wireless equipment using radio waves in the 2.4 GHz wavelength, at speeds of 11 Mbits/s (802.11b standard) or 54 Mbits/s (802.11g standard). By extending the Ethernet protocol to cover radio services, Wi-Fi offers businesses and individuals the ability to wirelessly connect several computers or shared devices in a network over distances that may reach several dozen meters.

INDEX TO FINANCIAL STATEMENTS

To the Partners of
Numericable Finance & Co SCA
13-15 avenue de la Liberté
L-1531 Luxembourg

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the accompanying interim balance sheet of Numericable Finance & Co SCA at 30 June 2012, the related profit and loss acount for the period then ended and their accompanying notes (“the interim financial information”). The Unlimited Partner is responsible for the preparation and fair presentation of this interim financial information in accordance with standards and practices applicable to Luxembourg. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with standards and practices applicable to Luxembourg.

Deloitte Audit, *Cabinet de révision agréé*

John Psaila, *Réviseur d’entreprises agréé*
Partner

16 October 2012

NUMERICABLE FINANCE & Co S.C.A.

Interim financial information
as of and for the period ended June 30, 2012

Address of the registered office
13-15, Avenue de la Liberté
L-1931, Luxembourg

R.C.S. Luxembourg: B 166649
Share capital: EUR 31,000.00

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Numericable Finance & Co S.C.A.
UNAUDITED BALANCE SHEET AS AT JUNE 30, 2012 (expressed in Euros)

	Note(s)	June 30, 2012
ASSETS		
C.		
Fixed assets		
III. Financial assets	3	
6. Loans and claims held as fixed assets		360,200,000.00
		360,200,000.00
D. Current assets		
II. Debtors	4	
1. Trade debtors	4.1	
a) becoming due and payable within one year		251,529.86
2. Amounts owed by affiliated undertakings		
a) becoming due and payable within one year		30,700.00
4. Other debtors		
becoming due and payable within one year		16,717,143.75
becoming due and payable after more than one year		21,414.34
		17,020,787.95
IV. Cash at bank and in hand		15,068.12
E Prepayment and accrued income	5	11,243.84
TOTAL ASSETS		**377,247,099.91**
LIABILITIES		
A. Capital and reserves	6	
I. Subscribed capital		31,000.00
VI. Result for the financial year		19,330.39
		50,330.39
C. Provisions		
2. Provisions for taxation	7	6,513.90
3. Other provisions	8	48,313.64
		54,827.54
D. Non-subordinated debts	9	
1. Debenture loans	9.1	
b) Non convertible loans		
ii) becoming due and payable after more than one year		360,200,000.00
4. Trade creditors		
a) becoming due and payable within one year		91,386.93
8. Tax and social security debt		
a) Tax debts		11,205.05
9. Other creditors		
a) becoming due and payable within one year		16,839,350.00
		377,141,941.98
TOTAL LIABILITIES		**377,247,099.91**

Numericable Finance & Co S.C.A.
UNAUDITED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED JUNE 30, 2012 (expressed in Euros)

		Note(s)	June 30, 2012
A.	**CHARGES**		
	2. Other external charges	10	238,364.96
	5. Other operating charges	11	23,658.36
	8. Interest payable and similar charges		
	b) other interest payable and similar charges	12	16,839,350.00
			16,839,350.00
	10. Tax on profit or loss		6,248.90
	11. Other taxes not included in the previous caption		265.00
	12. Profit for the financial year		19,330.39
Total Charges			**17,127,217.61**
B.	**INCOME**		
	5. Other operating income	13	287,867.36
	8. Other interest and other financial income		
	b) other interest receivable and similar income	14	16,839,350.25
			16,839,350.25
Total Income			**17,127,217.61**

NOTES TO THE INTERIM FINANCIAL INFORMATION
JUNE 30, 2012

1 GENERAL

NUMERICABLE FINANCE & Co S.C.A. (“the Company”) was incorporated on January 31, 2012 and is organised under the laws of Luxembourg as a «société en commandite par actions» for an unlimited period.

The registered office of the Company is at 13-15 Avenue de la Liberté , L-1931 Luxembourg. The Company is registered with the Register of Commerce of Luxembourg under the section B Number 166649.

The Company’s financial year starts on January 1 and ends on December 31 of each year. The first financial year started on January 31, 2012 and will end on December 31, 2012.

The main activity of the company is is to enter into, perform and serve as a vehicle for, any securitization transactions.

The Company may enter into any transaction by which it acquires or assumes, directly or indirectly or through another entity, the risks relating to the holding or ownership of claims, receivables and/or other goods or assets (including securities of any kind, loan assets and real estate property), either movable or immovable, tangible or intangible, and/or risks relating to liabilities or commitments of third parties or which are inherent to all or part of the activities undertaken by third parties. The Company may assume or acquire these risks by acquiring, by any means, claims, receivables and/or assets. The method that will be used to determine the value of the securitized assets will be set out in the relevant issue documentation.

The Company may in particular carry out the securitization of mortgage loans (together with any accessory rights and entitlements relating thereto, such as security interests and other forms of collateral, including mortgages), by way of acquisition of the title or assumption of risks relating thereto from the entities having granted such loans or entities having subsequently acquired them.

Without prejudice to the generality of the foregoing, the Company may in particular:

(i) subscribe or acquire in any other appropriate manner any securities or financial instruments (in the widest sense of the word);

(ii) sell, transfer, assign, charge or otherwise dispose of its assets in such manner and for such compensation as the unlimited partner or any person appointed for such purpose shall approve at such time;

(iii) in the furtherance of its object, manage, apply or otherwise use all of its assets, securities or other financial instruments, and provide, within the limits of article 61(3) of the Securitization Law, for any kind of guarantees and security rights, by way of mortgage, pledge, charge, assignment or other means over the assets and rights held by the Company;

(iv) enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and any similar transactions. The Company may generally employ any techniques and instruments relating to investments for the purpose of their efficient management,

including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks;

(v) issue bonds, notes or any other form of debt securities (including by way of participation interest) or equity securities the return or value of which shall depend on the risks acquired or assumed by the Company. The Company may lend funds including the proceeds of any borrowings and/or issues of securities, and provided such lending or such borrowing relates to securitization, transactions or to the enforcement of any of its rights under any receivable owned by it, to its subsidiaries, affiliated companies or to any other company to the extent related to the activities permitted above. The Company may hold bank accounts; and

(vi) enter into loan agreements as borrower within the scope of the Securitization Law, in particular in order to fund the acquisition or assumption of risks (i.e. prior to the issuance of any securities or, more generally, where the Company acts as acquisition entity), to comply with any payment or other obligation it has under any of its securities or any agreement entered into within the context of its activities.

The descriptions above are to be understood in their broadest sense and their enumeration is not limiting. The corporate object shall include any transaction or agreement which is entered into by the Company, provided it is not inconsistent with the foregoing enumerated objects.

The Company may take any measure to safeguard its rights and make any transactions whatsoever which are directly or indirectly connected with or useful for its purposes and which are able to promote their accomplishment or development.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

The interim accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002, determined and applied by the unlimited partner.

The preparation of interim accounts requires the use of certain critical accounting estimates. It also requires the unlimited partner to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The unlimited partner believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and its results fairly.

The books and records are maintained in EUR and the interim accounts have been prepared in accordance with the valuation rules and accounting policies described below.

2.2 Basis of conversion for items originally expressed in foreign currency

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Formation expenses and long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Other assets and liabilities are valued individually at the lower, respectively the higher of their value at the historical exchange rate or their value determined at the exchange rates prevailing at the balance sheet date. Only unrealised exchange losses are recorded in the profit and loss account. Realised exchange gains are recorded in the profit and loss account at the moment of their realisation.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the period.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account and the net unrealised exchange gains are not recognised.

2.3 Formation expenses

The formation expenses of the Company are directly charged to the profit and loss account of the period in which they are incurred.

2.4 Financial fixed assets

Financial assets are valued in the accounts at purchase price. Value adjustments are made in respect of financial fixed assets to recognise a permanent reduction in the value of the investments, such reduction being determined and made for each investment individually.

2.5 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where there recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.6 Prepayment and accrued income

This asset item includes expenditures incurred during the financial period but related to a subsequent financial period.

2.7 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of balance sheet, are either likely to be incurred or certain to be incurred but uncertain as their amount or the date on which they will arise.

Provisions for taxation correspond to the difference between the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed. The advance payments are shown in the assets of the balance sheet under the "Other receivables" item.

2.8 (Non-)subordinated debts

Subordinated and Non-subordinated debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

3 FINANCIAL FIXED ASSETS

Loans and receivables correspond to a loan granted to Ypso France S.A.S.

The Company issued EUR 360,200.,000 12⅜% Senior Secured Notes due 2019.

The net proceeds received by the Company from the offering of the Notes was used by the Company to fund its participation in the Additional C1 Facility Loan made by J.P. Morgan Securities (the Lending Bank) Ltd and to subsequently used this amount to acquire that Additional C1 Facility Loan from the Lending Bank. The transfer certificate between the Lending Bank and the Company is dated February 15, 2012.

The unlimited partner has performed a review of the risks of recoverability of his receivable and has estimated based on this review that no impairment needs to be recorded.

4 DEBTORS

Debtors are mainly composed of accrued interest to be received on the loan granted to Ypso France S.A.S. for an amount of EUR 16,715,531.25

4.1 Trade debtors

On February 14, 2012, the Company entered into a fee arrangement with Ypso France S.A.S. As a consequence, any fees incurred by the Company are paid or reimbursed by Ypso France S.A.S. to the Company.

As at June 30, 2012, the Company has a receivable on Ypso France S.A.S. of EUR 251,259.86.

5 PREPAYMENT AND ACCRUED INCOME

Deferred charges are composed of Trustee acceptance charges recorded during the period which concern the following period.

6 CAPITAL AND RESERVES

6.1 Subscribed capital

The subscribed capital amounts to EUR 31,000 and is divided into 31,000 shares fully paid up- 30,999 being limited shares and 1 unlimited shares.

6.2 Legal reserve

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed. No such allocation has been made since the first financial year has not yet been completed.

7 PROVISIONS FOR TAXATION

A provision for taxation of EUR 6,513.90 was made, of which EUR 5,688.90 are related to Corporate Income Tax, EUR 560 to Municipal Business Tax and EUR 265 to Net Wealth Tax.

8 OTHER PROVISIONS

This item refers to invoices which concern the period and have not been received as of June 30, 2012.

9 NON-SUBORDINATED DEBTS

Amounts due and payable for the amounts shown under "Non-subordinated debts" are as follows:

EUR	Within one year	After one year and within five years	Total 30/06/2012
Non-convertible debenture loans	—	360,200,000.00	360,200,000.00
Trade creditors	91,386.93.	—	91,386.93
Tax and social security debts	11,205.05	—	11,205.05
Other creditors	16,839,350.00	—	16,839,350.00
Total	**16,941,941.98**	**360,200,000.00**	**377,141,941.98**

Other creditors displayed on the above described interests amounting to EUR 16,839,250.25 which are accrued as at June 30, 2012 and are to be paid on August 15, 2012.

9.1 Non-convertible debenture loans

The non-convertible debenture loans relate to the EUR 360,200,000 12⅜% Senior Secured Notes due 2019, issued by the Company and which are admitted to the Official List of the Irish Stock Exchange.

10 OTHER EXTERNAL CHARGES

Other external charges are as follow:

	30/06/2012
Bank fees	540.00
Legal fees	33,423.03
Accounting and administrative fees	83,740.96
Trustee acceptance fees	18,756.16
Professional fees	69,689.43
Other insurances	26,000.00
Contributions to professional associations	5,104.30
Other fees	1,111.08
Total	**238,364.96**

11 OTHER OPERATING CHARGES

This caption refers to invoices received from the Shareholders of the Company for the expenses they incurred. Further to the fee arrangement signed between the Company and its Shareholders on February 14, 2012, the Shareholders expenses are re-invoiced to the Company which re-invoices then Ypso France S.A.S..

12 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges refer to the interest on the Notes issued by the Company. As at June 30, 2012, the accrued interest amount to EUR 16,839,350.00.

13 OTHER OPERATING INCOME

The Company re-invoices its expenses to Ypso France S.A.S. As at June 30, 2012, the total of operating income amount to EUR 287,867.36.

14 OTHER INTEREST AND OTHER FINANCIAL INCOME

Other interest and other financial income refer to the interest on the loan granted to Ypso France S.A.S. by the Company. As at June 30, 2012, the accrued interest amount to EUR 16,715,531.25. Ypso France S.A.S. paid EUR 123,819 on February 14, 2012.

15 SUBSEQUENT EVENTS

As of October 2012 the Company is contemplating the issuance of two additional series of notes.

YPSO France SAS

Interim condensed consolidated financial statements as of June 30, 2012

Ypso France SAS
10, rue Albert Einstein 77420 Champs-sur-Marne

Ypso France SAS
CONSOLIDATED STATEMENTS OF INCOME

(in thousands of euros)	Notes	Six-month period ended June 30, 2012	Six-month period ended June 30, 2011
Revenue	5	436 323	429 202
Purchases and subcontracting services		(93 609)	(89 316)
Staff costs and employee benefits expense		(37 490)	(37 145)
Taxes and duties		(10 173)	(9 515)
Provisions		(241)	(6 149)
Other operating income	6	32 962	38 275
Other operating expenses	7	(108 261)	(98 579)
Operating income before depreciation and amortization (EBITDA)		219 511	226 774
Depreciation and amortization		(97 239)	(98 984)
Operating income		122 273	127 790
Financial income		1 275	385
Interest relative to gross financial debt		(84 513)	(76 702)
Other financial expense		(13 120)	(1 519)
Finance costs, net	8	(96 357)	(77 836)
Income tax expense	9	—	1
Share in net income (loss) of equity affiliates		(93)	(123)
Net income (loss) from ongoing activities		25 822	49 831
Net income from discontinued operations	10	—	128 842
Net income (loss)		25 822	178 673
—Attributable to equity holders of the Group		25 758	178 410
—Attributable to non-controlling interests		64	263

Ypso France SAS
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of euros)	June 30, 2012	June 30, 2011
Net income (loss) attributable to equity holders of the Group	25 758	178 410
Cumulative translation adjustments	—	—
Change in fair value of available-for-sale financial assets	—	—
Actuarial gains and losses	—	—
Tax on items recognized directly in equity	—	—
Total other comprehensive income/(loss) attributable to equity holders of the parent	25 758	178 410

In accordance with IAS 1 *Presentation of financial statements (2007)* ("IAS 1"), the Group presents a statement of comprehensive income. However, as the Group operates primarily in France as a result of the disposal of our activities in Belgium and Luxembourg that occurred on June 30 ,2011, the functional and presentation currencies of all the entities within the Group is the euro. As a result, no cumulative translation adjustment has been recognized as of June 30, 2012 and June 30, 2011.

With respect to actuarial gains and losses, the Group recognizes actuarial gains and losses immediately through income. Accordingly, there are no actuarial gains and losses recognized outside of net income.

Available-for-sale financial assets are comprised of various investments in non-consolidated entities that are not listed for which fair value cannot be measured reliably. Due to the fact that these investments are not material, these investments are measured at cost and accordingly, no unrealized gain/loss is recognized in the statement of comprehensive income.

Ypso France SAS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of euros)	Notes	June 30, 2012	December 31, 2011
ASSETS			
Goodwill		984 581	984 534
Other intangible assets		278 821	304 669
Property, plant and equipment		1 119 615	1 082 105
Share in net assets of equity affiliates		3 483	3 577
Other non-current financial assets		4 755	5 083
Deferred tax assets		—	—
Non-current assets		2 391 256	2 379 967
Inventories		20 785	23 953
Trade receivables and other receivables, net	11	321 981	274 274
Other current financial assets		40	40
Income tax receivable		—	—
Cash and cash equivalents	12	4 197	34 485
Current assets		347 003	332 752
Assets held for sale	10	—	—
TOTAL ASSETS		2 738 259	2 712 719

(in thousands of euros)	Notes	June 30, 2012	December 31, 2011
EQUITY AND LIABILITIES			
Capital stock		12 964	12 964
Additional paid-in capital		991 190	991 190
Retained earnings and other reserves		(1 540 700)	(1 719 183)
Net income (loss)—attributable to the equity owners of the parent		25 758	178 482
Equity attributable to equity owners of the parent		(510 789)	(536 604)
Non-controlling interests		49	(56)
Total equity		(510 740)	(536 604)
Non-current portion of financial liabilities	13	2 533 382	2 463 738
Non-current provisions		59 525	58 460
Deferred tax liabilities		—	—
Other non-current liabilities	14	76 086	73 570
Non-current liabilities		2 668 993	2 595 768
Current portion of financial liabilities	13	83 821	163 149
Current provisions		—	5 000
Trade payables and other current liabilities	15	495 510	484 400
Current income tax liabilities		674	1 006
Current liabilities		580 005	653 555
Liabilities held for sale	10	—	—
TOTAL EQUITY AND LIABILITIES		2 738 259	2 712 719

Ypso France SAS
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of euros)	Capital stock	Additional paid-in capital	Retained earnings, other reserves and net income (loss)	Total attributable to the owners of the parent	Non-controlling interests	Total equity
Balance as at December 31, 2009	12 964	991 190	(1 775 748)	(771 595)	12 526	(759 069)
Net income (loss)	—	—	57 081	57 081	(242)	56 840
Other adjustments	—	—	(450)	(450)	—	(450)
Balance as at December 31, 2010	12 964	991 190	(1 719 117)	(714 964)	12 284	(702 679)
Net income (loss)	—	—	178 410	178 410	263	178 673
IFPECS repayment	—	—	—	—	(12 606)	(12 606)
Reclassification	—	—	(66)	(66)	66	—
Balance as at June 30, 2011	12 964	991 190	(1 540 773)	(536 620)	7	(536 612)
Net income (loss)	—	—	72	72	(64)	8
Balance as at December 31, 2011	12 964	991 190	(1 540 700)	(536 547)	(57)	(536 604)
Net income (loss)	—	—	25 758	25 758	64	25 822
Non controlling interest acquisition	—	—	—	—	42	42
Balance as at June 30, 2012	12 964	991 190	(1 514 943)	(510 789)	49	(510 740)

Ypso France SAS
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of euros)	June 30, 2012	June 30, 2011
Net income from ongoing activities	25 822	49 831
Share in net income (losses) of equity affiliates	93	123
Depreciation and amortization	93 304	96 581
Gains and losses on disposals	(718)	(4 889)
Other non-cash operating gains and losses	1 801	(9 916)
Net cash provided (used) by operating activities before changes in working capital, finance costs and income tax	120 303	131 730
Finance costs, net	84 513	98 283
Income tax paid	(332)	142
Changes in working capital	(28 655)	8 078
Net cash provided (used) by operating activities	175 829	238 233
Capital expenditures	(100 592)	(93 025)
Proceeds from disposal of tangible and intangible assets	921	4 888
Decrease (increase) in loans and other non-current financial assets	187	143
Disposal (Acquisition) of consolidated and non-consolidated companies	(6)	—
Investment subsidies and grants received	3 899	1 216
Net cash provided (used) by investing activities	(95 591)	(86 778)
Proceeds from issuance of shares	—	—
Issuance of debt	334 495	17 866
Repayment of debt	(382 138)	(210 980)
Interest paid	(62 883)	(70 018)
Net cash provided (used) by financing activities	(110 527)	(263 132)
Net cash flow from ongoing activities	(30 288)	(111 678)
Net cash flow from discontinued operation	—	159 040
Net increase (decrease) in cash and cash equivalents	(30 288)	47 362
Cash and cash equivalents—opening balance	34 485	18 368
Cash and cash equivalents—closing balance	4 197	65 730

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Ypso France SAS (the "Company" or the "Group") is a simplified stock company ("société par actions simplifiée") incorporated under French law, subject to French commercial company law and, in particular, the French Commercial Code (Code de commerce). Its registered office is located at 10, rue Albert Einstein 77420 Champs-sur-Marne (France).

The Group operates cable networks in France and provides television broadcasting, telephony and high speed internet access services over its networks to residential subscribers and business users. The Group operates through legal entities located in France.

The parent company of Ypso France SAS is Ypso Holding S.à.r.l, a company incorporated in Luxembourg, which is held by a group of investment and private equity firms, Altice, Cinven and Carlyle.

The Interim Condensed Consolidated Financial Statements reflect the financial position of Ypso France SAS and its subsidiaries, together with interests in equity affiliates. Amounts are reported in euros and all values are rounded to the nearest thousand.

The Interim Condensed Consolidated Financial Statements have been prepared and approved by the Chairman on October 15, 2012, in conjunction with the proposed issuance of Notes.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES

The present basis of preparation describes how the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) have been applied in preparing the Interim Condensed Consolidated Financial Statements.

IFRSs can be found at: www.ec.europa.eu/internal_market/accounting/ias/index_en.htm. IFRSs include the standards approved by the International Accounting Standards Board ("IASB"), that is, International Accounting Standards ("IASs") and accounting interpretations issued by the IFRS Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC").

As of June 30, 2012, all IFRSs that the IASB had published and that are mandatory are the same as those endorsed by the EU and mandatory in the EU, with the exception of IAS 39, which the EU only partially adopted. The part not adopted by the EU has no impact on the Group's Interim Condensed Consolidated Financial Statements.

As a result, the Group's Interim Condensed Consolidated Financial Statements comply with International Financial Reporting Standards as published by the IASB.

2.1 New financial reporting standards or amendments applied as of January 1, 2012

No new standard or amendment applied except for the 2010 "Improvements to IFRSs" (issued in May 2010) that the European Union endorsed in February 2011. The "Improvements to IFRSs" contained amendments to IFRS 3 *Business Combinations*, IFRS 7 *Financial Instruments: Disclosures*, IAS 1

Presentation of Financial Statements, IAS 27 *Consolidated and Separate Financial Statements*, IAS 34 *Interim Financial Reporting* and IFRIC 13 *Customer Loyalty Programmes*.

These amendments had no impact on our Interim Condensed Consolidated Financial Statements for the six-month period ended June 30, 2012.

2.2 Published IASB financial reporting standards, amendments and interpretations that are not yet mandatory and that the EU has not yet endorsed

The IASB published the following standards and amendments prior to June 30, 2012 that are not mandatory:

- IFRS 9 *Financial Instruments: Classification and Measurement* (issued in November 2009 and revised in October 2010);
- amendment to IFRS 7 *Disclosure—Offsetting financial assets and financial liabilities»* (issued December 2011)
- amendment to IFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (issued in December 2010);
- amendment to IFRS 1 providing an exception to the retrospective application of IFRS guidance for government loans at below-market interest rate are effective 1 January 2013, with earlier application permitted (issued in March 2012);
- amendment to IAS 12 *Deferred Tax: Recovery of Underlying Assets* (issued in December 2010);
- IFRS 10 *Consolidated Financial Statements* (issued in May 2011);
- IAS 27 *Separate Financial Statements* (issued in May 2011). IFRS 10, IFRS 12 and this amended version of IAS 27 supersede IAS 27 *Consolidated and Separate Financial Statements*;
- IFRS 11 *Joint Arrangements* (issued in May 2011);
- IAS 28 *Investments in Associates and Joint Ventures* (issued in May 2011). This amended version of IAS 28 and IFRS 12supersede IAS 27 *Investments in Associates*;
- IFRS 12 *Disclosure of Interests in Other Entities* (issued May 2011);
- IFRS 13 *Fair Value Measurement* (issued May 2011);
- amendment to IAS 1 *Presentation of Financial Statements* (issued June 2011);
- IAS 19 *Employee Benefits* (Revised and issued June 2011); and
- Amendments to IAS 32 *Offsetting financial assets and financial liabilities* (issued December 2011).

Based on a preliminary study of these new standards, we have not identified any material impacts regarding the future application of these standards. However, our final assessment of the standards' potential impacts is not yet complete.

2.3 Statement of compliance

The Interim Condensed Consolidated Financial Statements as at June 30, 2012 are prepared in compliance with IAS 34 *Interim Financial Reporting*. The accounting policies and measurement principles adopted for the Interim Condensed Consolidated Financial Statements as of and for the six-month period ended June 30, 2012 are the same as those used in the consolidated financial statements as of and for the year ended December 31, 2011. Please refer to Note 3 of our consolidated financial statements for further details on the significant accounting policies of the Group.

2.4 Seasonal nature of activity

There is no particular seasonal nature in our activity which would affect interim net revenues and income from operations. Pursuant to the IFRS accounting principles, interim net revenues are accounted for under the same principles as year-end net sales; that is, in the period in which they are achieved.

2.5 Going concern assumption

The Group was formed by series of acquisitions, mainly funded through external borrowings. In addition, the construction and subsequent modernization of the network have required substantial investments. These two factors explain the structure of the balance sheet and the proportion of financial liabilities in relation to total equity as well as the significant amount of depreciation and amortization expense and net finance cost.

In 2011, the Group served its debt and funded its investments through its net cash flows from operations and the proceeds from the sale of Coditel. Furthermore, the Group's covenants under the Senior Facility Agreement (SFA) require the Group to comply with certain liquidity ratios and to maintain certain cash levels.

Furthermore, as mentioned in the Significant Events section of the annual consolidated financial statements as of December 31, 2011, the Group issued in February 2012 a €360 million bond which allowed the Group to reschedule its debt. Under these conditions, management believes that the Group will be able:

- to comply with its quarterly financial covenants in 2012;
- to finance its cash requirements for the next twelve months starting July 1, 2012 and the service and reimbursement of its financial debt for this period.

As a result, the Consolidated Financial Statements of the Group as of June 30, 2012 have been prepared on a going concern basis.

3 SIGNIFICANT EVENTS

3.1 Bond issuance

As at February 15, 2012 the Group issued a €360 million bond (The "C-One" facility) which allowed the Group to repay €350 million of short term debt and to delay by two years the reimbursement of over 60 percent of its remaining bank debt.

The notes will mature on February 15, 2019 and bear interest of 12.375%. Interests are paid on the Notes semiannually on February 15 and August 15 of each year.

Please refer to Note 13 for further details on this operation.

3.2 Bouygues Telecom purchased Darty Telecom

On May 3rd 2012, Bouygues Telecom announced the purchase of the Telecom activities of Darty.

As those two companies were already clients of our Group through White Label agreements made with Completel SAS (refer to Note 18), this transaction should not have material consequences on the Group's accounts.

4 CHANGES IN THE SCOPE OF CONSOLIDATION

As mentioned elsewhere in these Interim Condensed Consolidated Financial Statements, the Group entered in June 2011 into a share purchase agreement with Coditel Holding S.A., pursuant to which we sold all the outstanding shares in Coditel Brabant SPRL ("Coditel Belgium") and Coditel S.à r.l. ("Coditel Luxembourg"), the entities through which we owned our Belgian and Luxembourg cable operations, for a purchase price of approximately €369.2 million.

This sale has been decided pursuant to our strategy to focus on the French triple- and quadruple-play markets in France.

The sale was completed on June 30, 2011. Coditel Holding S.A. is controlled by certain financial investors, including Altice, one of our shareholders. Simultaneously with the sale, we entered into a services agreement and a trademark license agreement with Coditel Belgium to ensure the continuity of its operations.

In accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*:

- the results of Coditel Belgium and Coditel Luxembourg are presented separately in the income statement in the line "Net income resulting from discontinued operations" for all the periods presented;

- the cash flows from Coditel Belgium and Coditel Luxembourg are presented separately in the cash flow statement in the caption "Net cash flow from discontinued operations" for all the periods presented.

The impact of the application of IFRS 5 is further detailed in Note 10 to the accompanying Interim Condensed Consolidated Financial Statements.

5 BREAKDOWN OF REVENUE

The Company is one of the leading French alternative telecommunication operators, active in both the consumer market, where the Company offers cable TV, broadband Internet and fixed and mobile telephony services to consumers in France and the wholesale market, where the Company offers traditional wholesale voice and data services, data links, fiber access and infrastructure sale to other telecommunications operators as well as white label cable TV, broadband Internet and telephony services to retail consumers.

Revenue by nature breaks down as follows:

(in thousands of euros)	June 30, 2012	June 30, 2011
Numericable Branded revenues	380 406	399 227
Digital	325 188	335 822
Bulk	35 668	35 176
Analog	19 550	28 229
White Labels revenues	34 662	22 591
Wholesale revenues	21 255	7 384
Revenue	**436 323**	**429 202**

6 OTHER OPERATING INCOME

Other operating income is primarily comprised of the following:

(in thousands of euros)	June 30, 2012	June 30, 2011
Own work capitalized[(a)]	31 406	22 996
Proceeds from sale of assets	921	4 888
Other[(b)]	635	10 391
Other operating income	**32 962**	**38 275**

(a) Own work capitalized are related to network projects staffed by in-house employees resulting from increased upgrade activity of the cable footprint. A corresponding amount of expenditure is reflected in staff costs.

(b) This caption includes a fine of €10 million paid by France Telecom. In March 2011, the Court of Paris condemned France Telecom because of restrictive trade practices on the ADSL market in 2001 and 2002.

7 OTHER OPERATING EXPENSE

Other operating expense is primarily comprised of the following:

(in thousands of euros)	June 30, 2012	June 30, 2011
Outsourcing and purchased services	(43 802)	(45 929)
Advertising fees	(16 372)	(17 513)
Fees paid to other third parties	(15 245)	(11 752)
Royalties and license fees paid	(6 138)	(6 449)
Rights of way paid	(5 932)	(5 846)
Rental and leasehold charges	(8 786)	(4 752)
Bad debt expense	(5 247)	(2 212)
Postal expenses	(1 738)	(2 002)
Transportation expenses	(1 467)	(1 389)
Management fees paid to our shareholders	(450)	(691)
Repair and maintenance expenses	(40)	(45)
Net book value of assets sold	(203)	—
Miscellaneous operating expense	(2 841)	—
Other operating expense	**(108 261)**	**(98 579)**

Royalties and license fees have been paid to certain third parties such as the SACEM (*Société des Auteurs, Compositeurs et Editeurs de Musique*, a French professional association collecting payments of artists' rights and distributing the rights to the original authors, composers and publishers) and the ANGOA (*Agence Nationale de Gestion des Œuvres Audiovisuelles*, in charge of collecting and redistributing fees to French producers and cable TV or ADSL operators).

Management fees have been paid to our shareholders Altice, Cinven and Carlyle in relation to certain management, financing and advisory services provided.

8 FINANCE COSTS, NET

Finance costs, net can be analyzed as follows:

(in thousands of euros)	June 30, 2012	June 30, 2011
Interest income received on cash and cash equivalents	1 275	385
Change in fair value of interest rate derivatives	—	21 581
Interest expense on financing determined using the effective interest rate	(84 513)	(98 283)
Other financial expenses[(a)]	(13 120)	(1 519)
Finance costs, net	**(96 357)**	**(77 836)**

(a) As at June 30, 2012 other financial expenses mainly include :

- Waiwer Fees paid in connection with the implementation of the Revolving Credit Facility ("RCF") for €8.6 million;
- A financial provision for €1.8 million;
- Amortization of fees paid in connection with the implementation of the C-One Facility for €1.7 million using the Effective Interest method.

9 INCOME TAX

The tax expense in the income statement breaks down as follows:

(in thousands of euros)	June 30, 2012	June 30, 2011
Current income tax expense	—	(1)
Deferred income tax expense	—	—
Income tax expense	**—**	**(1)**

As mentioned in Note 9 to our consolidated financial statements as of December 31, 2011, the Group has a significant aggregate amount of unused tax loss carry-forwards (€1 846 million representing a tax asset of €636 million as of December 31, 2011). The tax asset for loss carry-forwards was not recognized in the financial statements as its recovery depends on future earnings, which are uncertain.

10 NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

This section provides details of the contents of the items relating to our discontinued operations as reported in the consolidated statement of income, consolidated statement of financial position and consolidated statement of cash flows.

Discontinued operations correspond to the subsidiaries Coditel Belgium and Coditel Luxembourg, which sale was completed as of June 30, 2011.

Details of income statement items included in Discontinued Operations are as follows:

(in thousands of euros)	**June 30, 2011 (6 months)**
Revenue	31 978
Operating income	18 435
Finance costs, net	(4 074)
Income tax expense	(1 296)
Net income (loss)	13 064
Proceeds from the sale of Coditel	118 486
Fees paid in connection with the sale of Coditel	(2 709)
Net income (loss) from discontinued operations	**128 842**

Details of cash flows from Discontinued Operations are as follows:

(in thousands of euros)	**June 30, 2011 (6 months)**
Net income from discontinued operations	128 842
Depreciation and amortization	3 887
Gains and losses on disposals	(118 501)
Other non-cash operating gains and losses	130
Net cash provided (used) by operating activities before changes in working capital, finance costs and income tax	14 358
Finance costs, net	4 105
Income tax paid	84
Changes in working capital	(15 246)
Net cash provided (used) by operating activities	3 301
Capital expenditures	(4 776)
Proceeds from disposal of tangible and intangible assets	19
Decrease (increase) in loans and other non-current financial assets	—
Cash expenditures for acquisition of consolidated and non-consolidated companies	
Net cash provided (used) by investing activities	(4 758)
Cash received from the sale of Coditel	350 184
Issuance of debt	1 101
Repayment of debt	(186 684)
Interest paid	(4 105)
Net cash provided (used) by financing activities	160 497
Net cash flow from discontinued operations	**159 040**

11 TRADE RECEIVABLES AND OTHER RECEIVABLES

(in thousands of euros)	June 30, 2012	December 31, 2011
Trade receivables	220 310	189 127
Valuation allowance	(12 631)	(14 237)
Trade receivables, net	**207 679**	**174 890**
Tax and social security receivables	90 754	91 003
Advances and down payments	15 269	1 908
Current accounts receivable	48	48
Prepaid expenses	3 729	1 633
Other current receivables	4 502	4 792
Trade receivables and other receivables, net	**321 981**	**274 274**

12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the consolidated statements of cash flows includes cash at hand, cash funds and short-term deposits. Reconciliation between cash and cash equivalents presented in the consolidated statements of cash flows and the line item "Cash and cash equivalents" in the consolidated statements of financial position is presented below:

(in thousands of euros)	June 30, 2012	December 31, 2011
Cash at hand	4 197	34 485
Cash equivalents	—	—
Cash and cash equivalents presented in the consolidated statements of financial position	**4 197**	**34 485**
Cash from discontinued operations	—	—
Bank overdrafts classified as financial liabilities in the consolidated statements of financial position	—	—
Cash and cash equivalents presented in the consolidated statements of cash flows	**4 197**	**34 485**

As at June 30, 2012 and December 31, 2011 no cash equivalents were held.

13 FINANCIAL LIABILITIES

13.1 Bond issuance made in February 2012

As explained in the Significant Events section the Group issued on February 15, 2012 a €360 million Senior Secured Bond (The "C-One" facility) which allowed the Group to repay €350 million of short term debt and to delay by two years the reimbursement of over 60 percent of its remaining bank debt.

The delay of the debt has not been considered as a substantial modification of the terms of the existing financial liability. Thus, this restructuration of the debt has not been accounted as a debt extinguishment with respect to IAS 39 *Financial Instruments: Recognition and Measurement*.

The notes mature on February 15, 2019 and bear an interest of 12.375%, which reflects the interest rate offered by the market at the date of the issuance. Interests are paid on the Notes semiannually on February 15 and August 15 of each year.

The following table sets forth, in accordance with IFRS, Ypso France's consolidated cash and cash equivalents and indebtedness as of December 31, 2011 and as adjusted after the bond issuance, as if such transactions had occurred on December 31,2011 (in € thousands):

	As of December 31, 2011		
	Actual	**Adjustments**	**As adjusted**
Cash and cash equivalents	**34,485**	**(15,400)**	**19,085**
Financial debt			
Facility A1	197,907	(147,597)	50,310
Facility A2	—	48,898	48,898
Facility B1	1,307,908	(862,311)	445,597
Facility B2	—	732,995	732,995
Facility C1	748,798	(545,298)	203,500
Facility C2	—	474,614	474,614
Capital Investment Facility 1	107,916	(86,466)	21,450
Capital Investment Facility 2	—	35,165	35,165
Additional Revolving Facility	—	—	—
Additional C-One Facility		360,200	360,200
Senior Facility Agreement	2,362,530		2,372,730
Finance Leases	15,556		15,556
Other Liabilities	3,185		3,185
Total financial debt	**2,381,271**		**2,391,471**
Customer Deposits	42,896		42,896
Total third-party debt	**2,424,167**		**2 434 366**
Shareholder Debt	169,840		169 840
Perpetual subordinated notes	32,880		32 880
Total Debt	**2,626,887**		**2,637,087**

13.2 Financial Liabilities breakdown

Total financial liabilities are broken down as follows:

(in thousands of euros)	Current		Non-current		Total	
	June 30, 2012	**December 31, 2011**	**June 30, 2012**	**December 31, 2011**	**June 30, 2012**	**December 31, 2011**
Financial liabilities under the Senior Facility Agreement[(a)]	71 546	150 488	2 273 461	2 212 042	2 345 007	2 362 530
Perpetual subordinated notes	—	—	34 027	32 880	34 027	32 880
Financial liabilities under finance leases	11 476	11 864	8 713	3 692	20 189	15 556
Other financial liabilities	799	797	176 697	172 229	177 496	173 026
Total loans and financial liabilities	**83 821**	**163 149**	**2 492 898**	**2 420 843**	**2 576 719**	**2 583 992**
Interest-rate derivatives[(b)]	—	—	—	—	—	—
Deposits received from customers	—	—	40 484	42 895	40 484	42 895
Bank overdrafts	—	—	—	—	—	—
Total financial liabilities	**83 821**	**163 149**	**2 533 382**	**2 463 738**	**2 617 203**	**2 626 887**

(a) The Group entered into a Senior Facility Agreement dated June 6, 2006, subsequently amended and restated on July 18, 2006 and March 2, 2007, amended on June 24 2008, amended and restated on December 9 2009, with BNP Paribas, CALYON, Lehman Brothers Bankhaus AG, London Branch and Morgan Stanley Bank International Limited, as the Mandated Lead Arrangers, BNP Paribas as Agent and Security Agent and others lenders (the "Senior Facility Agreement" or the "SFA"). In addition, certain subsidiaries of the Group are guarantors under the SFA, each guaranteeing, subject to certain limitations, the obligations of each other borrowers and guarantors under the SFA. The initial amount available under the SFA was €3,225 million, including the portion of debt bear by Coditel Belgium and Coditel Luxembourg for €225.6 million.

(b) Interest-rate derivatives: According to the SFA, the Group had to cover at least ⅔ of the outstanding amount of the Tranches A, B and C until June 30, 2011. As of June 30, 2011, the two last swap agreements expired and were not renewed by the Group.

14 OTHER NON CURRENT LIABILITIES

Other non current liabilities correspond to deferred revenue related to unrecognized network lease revenue.

15 TRADE PAYABLES AND OTHER PAYABLES

(in thousands of euros)	June 30, 2012	December 31, 2011
Trade payables—general	321 678	331 418
Trade payables—acquisition of assets	40 458	40 458
Advances and down payments received	3 804	5 839
Current accounts payables	22 379	13 063
Liabilities related to tax and duties	64 989	54 255
Corporate and social security contributions	19 494	20 803
Deferred revenue	20 076	14 250
Other payables	2 631	4 315
Trade payables and other payables	**495 510**	**484 400**

Deferred revenue is mainly related to cash received in relation to unrecognized network lease revenue from customer contracts, which is generally recognized ratably over the duration of the lease contract.

16 COMMITMENTS

16.1 Commitments given

Guarantees in relation to the Senior Facility Agreement

As part of the SFA entered into by the subsidiaries of the Group (YPSO France SAS, Altice France Est, Est Vidéocommunications, Numericable SAS and NC Numericable SNC), the following commitments were given to the lending banks:

- Compliance with financial covenants;
- Stable tax consolidation scope;
- Compliance with conditions governing the acquisition, disposal, use and control of assets.

All the assets of the Group's subsidiaries have been pledged to the banks. In addition to this financing arrangement, the Group has been required to enter into interest-rate swap contracts when the SFA was concluded to hedge the interest rate risk on a significant part of the financing as disclosed in Note 24.3 to our consolidated financial statements as of December 31, 2011. The overall hedging structure remained in effect until June 30, 2011 as the last two Swap agreements expired.

Commitments in relation to business operations

The Group is committed to build 75,000 connectors for a total amount of €4.5 million on behalf of the city of Le Havre, France.

To operate telecommunications networks, the Group needs licenses, authorizations or usage rights to infrastructure in the public and private domain. Consequently, the Group generally pays fees to the public administration in charge of managing the infrastructure (local authorities) or to the owners. In the course of its normal business activities, the company has also entered into outsourcing contracts, particularly for certain network maintenance services.

In 2010, the Group entered into several long-term MVNO agreements for voice and data transmission with Bouygues Telecom, pursuant to which we provide mobile telephony services to residential

customers under our own brand but through the nationwide network of Bouygues Telecom. The agreements relating to voice transmission services are due to expire in 2017 and those relating to data transmission services are due to expire in 2013, and each of these will be automatically renewed unless otherwise notified by either party with six months' notice prior to their respective initial expiry dates. Pursuant to the financial terms of each of these agreements, we are under obligation to pay Bouygues Telecom a flat fee corresponding to a minimum level of consumption by our end-customers of the relevant voice or data transmission services.

The below table summarizes the financial payments that we will be obligated to make including under our debt instruments as of June 30, 2012. The information presented in the table below reflects management's estimates of the contractual maturities of our obligations. These maturities may differ significantly from the actual maturity of these obligations.

	June 30, 2012			
(in thousands of euros)	**Less than 1 year**	**1-5 years**	**5+ years**	**Total**
Financial liabilities under the Senior Facility Agreement	71 546	1 448 896	824 565	2 345 007
Perpetual subordinated notes	—	—	34 027	34 027
Financial liabilities under finance leases	11 476	7 838	875	20 189
Other financial liabilities	799	1 814	174 883	177 496
Total loans and financial liabilities	**83 821**	**1 458 548**	**1 034 350**	**2 576 719**
Interest-rate derivatives	—	—	—	—
Deposits received from customers	—	40 484	—	40 484
Bank overdrafts	—	—	—	—
Total financial liabilities	**83 821**	**1 499 032**	**1 034 350**	**2 617 203**

16.2 Commitments received

The Group has received a commitment of a total amount of €25 million from GDF Suez to subscribe to perpetual floating rate notes, which will provide financing for the construction of the Sipperec network. The Group has already received €23.8 million in principal from GDF Suez as at June 30, 2012.

17 CONTINGENT LIABILITIES

17.1 Commercial disputes

We are involved in a number of legal proceedings that have arisen in the ordinary course of our business. Other than as discussed below, we do not expect the legal proceedings in which we are involved, or with which we have been threatened, to have a material adverse effect on our business or consolidated financial position. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and we can offer no assurances in this regard.

France Telecom-Orange litigation relating to IRUs

We entered into four non-exclusive IRUs with France Telecom-Orange on May 6, 1999, May 18, 2001, July 2, 2004 and December 21, 2004, in connection with our acquisition of certain companies which operated cable networks built by France Telecom-Orange. These cable networks, accessible only through the civil engineering installations of France Telecom-Orange (mainly its ducts), are made available to us by France Telecom-Orange through these non-exclusive IRUs over such civil engineering

installations. These IRUs each cover a different geographical area and were each entered into for a term of 20 years.

The ARCEP's decision 2008-0835 of July 24, 2008 required that France Telecom-Orange make a commercial offer to telecommunication operators pursuant to which such operators can to roll-out their own fiber networks in France Telecom-Orange's ducts. The terms of this mandatory commercial offer are more restrictive than the terms we benefit from under the France Telecom-Orange IRUs we are party to. As a result, France Telecom-Orange requested that the terms of our IRUs be modified so that the operational procedures set forth in these IRUs be aligned with those now observed by other telecommunication operators, especially with regards to the access to France Telecom-Orange's ducts for the purpose of maintaining and upgrading our network.

This issue was litigated and both the ARCEP and the Paris Court of Appeal ruled in favor of France Telecom-Orange on November 4, 2010 and June 23, 2011, respectively. We appealed the decision before the French Supreme Court (Cour de Cassation) but it upheld, for the most significant part, the decision of the Paris Court of Appeal on September 25, 2012.

Moreover, on October 21, 2011, the ARCEP initiated penalty proceedings against us, arguing that we had not complied with its November 4, 2010 decision. Consequently, in December 2011, we executed with France Telecom Orange amendments to the IRUs in order to comply with the November 4, 2010 ARCEP decision and to align the operating procedures set forth in the IRUs with the procedures set forth in the France Telecom Orange generic commercial offer.

In the meantime, the penalty proceedings initiated by the ARCEP were not stopped by the execution of the amendments to the IRUs and we were sentenced on December 20, 2011 to a fine of €5.0 million for noncompliance with the ARCEP November 4, 2010 decision. We appealed this decision before the Conseil d'Etat. The case is still pending and we negotiated a staggered payment of this €5.0 million fine until November 8, 2012.

Lastly, we initiated parallel proceedings against France Telecom Orange before the Commercial Court of Paris on October 7, 2010 and before the International Court of Arbitration of the International Chamber of Commerce on October 21, 2010, claiming, respectively, damages of €2.5 billion and €0.5 billion for breach and modification of the IRUs by France Telecom-Orange. The case is still pending before the International Court of Arbitration. However, the Commercial Court of Paris ruled on April 23, 2012 in favor of France Telecom-Orange and dismissed our claims for damages, ruling that there were no material differences between the original operational procedures and the new operational procedures imposed on us by France Telecom-Orange on July 24, 2008. We appealed this decision before the Paris Court of Appeal. The case is still pending: we claim before the Paris Court of Appeal the same amount of damages as before the Paris Commercial Court. France Telecom-Orange, in turn, claims that the proceedings materially impaired its brand and image and claims €50 million of damages.

Free and La Révolution Mobile litigations relating to an advertising campaign

Two separate claims were filed against Numericable SAS and NC Numéricable before the Commercial Court of Paris by telecommunications operators Free and France Telecom-Orange on August 3, 2011 and July 18, 2011, respectively, in relation to our spring 2011 advertising campaign entitled "The mobile revolution".

Free, who used the term "revolution" to refer to its forthcoming launch of mobile phone services and whose latest offering was named the "Freebox Revolution", argues that our campaign led to customer

confusion and damaged its brand and image. Free claims damages in an amount of €10.0 million. The case is currently pending before the Paris commercial court. At a hearing before the Paris Commercial Court in October 2011, the marketing and unfair competition organization (Association Droit du Marketing et Concurrence Déloyale) voluntarily intervened in support of our case to maintain that "revolution" is a commonly used term for marketing purposes and that our campaign does not constitute a fault under unfair competition law.

La Révolution Mobile argues that it owns the brand "La Révolution Mobile" and that we therefore unduly used this brand during our spring 2011 advertising campaign. La Révolution Mobile claims €1.0 million in damages. The case is scheduled to be heard on December 13, 2012, by the Paris Commercial Court.

France Telecom-Orange litigation relating to a contract for the sharing of equipment

On March 23, 2000, EVC entered into a five-year agreement with France Telecom-Orange for the sharing of equipment on a public property. The contract was tacitly renewed on March 23, 2005 and terminated on February 28, 2007 by France Telecom-Orange. France Telecom-Orange proposed new contractual terms and conditions in respect of these sharing arrangements and failing EVC's response, invoiced EVC pursuant to these terms. In 2010, France Telecom-Orange sued EVC claiming payment of €3.3 million, increased by late fees and penalties as from August 31, 2010. EVC's argued in its defense that the termination of the sharing contract, the change of tariffs and the retroactive application of a new offer are abusive and unfair. The Strasbourg Civil Court and the Colmar Court of Appeal ruled in favor of France Telecom-Orange. On July 17, 2012, the Colmar Court of Appeal awarded 4.9 million of damages to France Telecom-Orange. None of the parties appealed this decision before the French Supreme Court.

ACR Media litigation relating to a breach of contract

We initiated legal proceedings in 2008 before the Paris Commercial Court against ACR Media, a company which managed two of our stores and carried out certain sales promotion campaigns on our behalf, after it terminated the contract we had entered into with it and closed the two stores. We claimed €0.8 million of damages against ACR Media for abusive breach of contract, breach of non-compete obligation, unfair competition and client solicitation, and harm to our reputation. ACR Media counterclaimed €3.9 million of damages against us, arguing that the contract in question should be considered a commercial agency contract. On September 26, 2012, the Paris Commercial Court awarded approximately €130,000 of damages to ACR Media. We do not intend to appeal this decision. ACR Media has however not yet indicated to us whether it will appeal this decision.

Starsight Telecast, Inc. litigation relating to alleged counterfeited set-top boxes

On May 21, 2010, Starsight Telecast, Inc. initiated proceedings against us on the grounds of a patent counterfeit with respect to certain set-top boxes we supply to our customers. Starsight Telecast, Inc. has requested that (i) the full amount of damages be appraised by a court-appointed expert, (ii) a provisional payment of €1.0 million for damages be paid by us, (iii) an injunction against the manufacture, importation, sale of the alleged counterfeited set-top boxes and a €1,000 penalty for every violation of the injunction, and (iv) the submission of all documents and information held by us on such products, including the number of clients who received them and the turnover generated by their sale. On May 11, 2011, we requested that the developers of the alleged counterfeited set-top boxes (Nagra France, Nagravision and Open TV) be enjoined to the proceedings. The case is scheduled to be heard by the Paris Civil Court on November 11, 2012.

Trust Litigation Relating to Partnership Agreements

Trust, a company that managed three of our stores and carried out certain sales promotion campaigns on our behalf pursuant to a partnership agreement, initiated legal proceeding on August 2, 2012 before the Paris Commercial Court. Trust claims €0.6 million of damages, arguing that we did not act in good faith in the performance of the partnership agreement. The case is pending before the Paris Commercial Court.

Megafibre Litigation Relating to a Partnership Agreement

We entered into a partnership agreement with Megafibre to manage one of our stores and carry out certain sales promotion campaigns on our behalf. Megafibre and its chairman initiated legal proceedings on February 28, 2012, before the Meaux Commercial Court, claiming €0.8 million of damages, arguing that we unduly terminated our partnership agreement. The case is pending before the Meaux Commercial Court.

Litigation Related to Illegal Streaming and Direct Downloading Websites

On November 30, 2011, three associations representing movie producers and distributors initiated summary proceedings against web search engines and all French Internet service providers (including us). These proceedings aim at forcing French Internet service providers (under a penalty of €20,000 per day) to block the IP addresses of certain streaming and direct downloading websites considered to be illegal. Our customers would then be prevented from accessing these websites. The case is currently pending before the Paris Civil Court.

France Telecom-Orange Litigation relating to unpaid invoices

France Telecom-Orange filed two separate claims against us before the Paris Commercial Court and the Meaux Commercial Court, on September 6, 2011, and September 3, 2011, respectively.

In the case before the Paris Commercial Court, France Telecom-Orange claims that invoices in the amount of €3.1 million remain unpaid. These invoices related to physical infrastructure occupied by Numericable between 2005 and 2007, following the sale by France Telecom-Orange of its cable networks for Numericable. We argued that France Telecom-Orange prevented us from moving out of these infrastructures and therefore that the litigation's invoices are not due. The case is pending before the Paris Commercial Court.

In the case before the Meaux Commercial Court, France Telecom-Orange claims that invoices in the amount of €2.1 million remain unpaid. These invoices related to the transfer of clients from France Telecom-Orange, also in connection with the sale by France Telecom-Orange of its cable networks to Numericable. We counter-claimed €12.1 million for breach of contract and, further, argued that the litigatious invoices should be reduced for €1.6 million. The case was heard by the Meaux Commercial Court and its judgment is expected on January 8, 2013.

Pace France Litigation Relating to our Set-Top Boxes

Pace France is our former supplier of set-top boxes. Pace France initiated proceedings before the Paris Commercial Court on June 5, 2012, arguing that we failed to pay penalties for late payments for an amount of €1.7 million. The case is pending before the Paris Commercial Court.

Pace France also initiated proceedings before the Meaux Commercial Court on May 9, 2012. In 2010, we launched a competitive bid to select a supplier for our new-generation set-top boxes. Pace France argues that the selection process was not fair and that it was unlawfully excluded from the process.

Pace France claims damages for €1.6 million. The case is currently pending before the Meaux Commercial Court.

17.2 Tax audit

The French tax authorities have conducted audits on various companies of our Group since 2005 in respect of the VAT rates applicable to our multiple-play offerings. Under French tax law, television services are subject to a 5.5% VAT rate, which increased to 7% as of January 1, 2012, while Internet and telephony services are subject to a 19.6% VAT rate. When marketing multiple-play offerings, we allocate a price reduction compared to the price we charge for our services on a stand alone basis primarily to our Internet and telephony services, because such services were newer in our product range. As a result, the VAT we charged to our subscribers was lower than the VAT that would have been charged if we had deemed the price reduction to apply primarily to the television services portion of our packages.

The French tax authorities assert that these price reductions should have been computed pro rata of the stand alone prices of each of the services (television, broadband Internet, fixed and/or mobile telephony) included in our multiple-play packages. We have formally contested the tax adjustments for the fiscal years 2005 to 2009 and we expect the case to be litigated before French administrative courts. As of June 30, 2012, a tax contingency for a total amount of €25.8 million is recognized (compared to €26.4 million as of December 31, 2011). Tax authorities have also initiated in 2012 a tax audit for the 2010 fiscal year, in the same matters and scope (refer to Note 19 Subsequent Events).

We amended our standard terms and conditions effective January 1, 2011 to explicitly allocate price reductions applicable to our multiple-play packages to Internet and telephony services only, and expect that in the future this amendment will prohibit the tax authorities from challenging the way we calculate VAT.

18 RELATED PARTY TRANSACTIONS

The parent company of Ypso France SAS (hereinafter "the Company", being the legal entity Ypso France SAS) is Ypso Holding S.à.r.l. and the ultimate shareholders of the Group are a group of investment and private equity firms, Altice, Cinven and Carlyle.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Altice B2B France SAS and its wholly-owned subsidiary Completel SAS are controlled by the same group of shareholders and therefore are considered entities under common control for the purposes of related party disclosures.

During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:

- the amounts disclosed as *Sale of goods and rendering of services* and *Purchase of goods and services* are for the six-month period between January 1st and June, 30 for 2012 and 2011;

• the amounts disclosed as *Owed by related parties and Owed to related parties* are as of June 30th for 2012 and December 31st for 2011;

(in thousands of euros)	Sale of goods and rendering of services		Purchase of goods and services		Amounts owed by related parties		Amounts owed to related parties	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Parent company								
Ypso Holding[1]	—	—	—	—	—	—	174 563	169 840
Shareholders[2]								
Cinven	—	—	125	262	—	—	454	155
Altice	—	—	200	180	—	—	—	—
Carlyle	—	—	125	250	—	—	—	—
Entities under common control								
Altice B2B SAS	—	—	—	—	—	—	—	—
Completel SAS[3]	41 285	19 746	24 731	22 383	102 773	81 770	(913)	23 490
Associate								
Alsace Connexia Participation SAS	—	—	—	—	2 243	2 518	—	—

(1) Shareholder Financing

Our shareholders provided us with several subordinated shareholder financings.

As at June 30, 2012, the Group owes a total amount of €174.6 million to Ypso Holding, its parent company, ultimately owned by our shareholders. This amount mainly includes:

• The "Coditel notes" issued in December 2009 following the restructuration of a portion of the Group debt in 2009. Coditel Notes amounted to €125.2 million as at June 30, 2012;

• The debt owed to Ypso Holding for €49.3 million as a result of several shareholder loans granted by Ypso Holding;

(2) Relationships with our Shareholders

Relationships with Altice

On June 30, 2011, we completed the sale of Coditel Belgium and Coditel Luxembourg to a consortium of investors, including Altice, for a purchase price of €369.2 million.

On March 12, 2008, we entered into a service agreement (the "Altice Service Agreement") with Altice Services LLP ("Altice Services"), an affiliate of Altice, under which Altice Services undertook to provide us with consulting services with respect to technology, equipment purchasing, marketing, client management, information technology, financing, reporting, regulation and management. In consideration for these services, we undertook to pay Altice a fee based on the increase of our EBITDA and operating cash flow from year to year. We agreed with Altice Services to terminate this agreement with effect as of December 31, 2009.

Altice owns cable networks in the French West Indies (*Antilles*). We pay telephony termination fees to such networks for the calls originating from our subscribers to subscribers of such networks, and receive

telephony termination fees from such networks for the calls originating from their subscribers to our subscribers.

Relationships with Carlyle

Sagemcom, one of our key suppliers of set-top boxes, was acquired by funds managed by Carlyle on August 17, 2011.

(3) Relationships with Completel

In September 2007, our shareholders, Altice and Cinven, acquired Completel, a voice and data service provider to corporate clients and a wholesale and DSL White Label provider to other telecommunication operators, which enabled us to gain access to Completel's DSL network and metropolitan fiber networks.

Our management manages Completel as well as our business, which may generate conflicts of interest, and causes our management to divide its attention between the two businesses. Completel also owns a substantial part of the network we use to provide our services, including our network's backbone.

Completel and our Group provide several other services to each other. The main contractual relationships between Completel and our Group are summarized below.

Framework Services Agreement

On January 28, 2009, Ypso France, Numericable SAS, NC Numericable SAS and Est Videocommunication SAS entered into a framework service agreement (the "Framework Service Agreement") with Completel and its controlling shareholder, Altice B2B SAS. The purpose of the Framework Service Agreement is to formalize certain relationships and transactions between the Completel Group and the Numericable Group, including with respect to (i) the lease of certain buildings and office space, (ii) legal, finance and accounting services, (iii) human resources management, (iv) sourcing (including joint orders of supplies and services). Services provided under the Framework Services Agreement are charged at cost, plus a margin.

The Framework Services Agreement was entered into for an initial term of one year, starting retroactively on January 1, 2008, and is automatically renewed for additional one-year terms, subject to the right of each party thereto to terminate it with a one-month notice.

Telephony Traffic Agreement

Numericable SAS, NC Numericable SAS and Est Videocommunication SAS entered into a telephony traffic agreement (the "Telephony Traffic Agreement") with Completel, pursuant to which Completel agreed to carry our telephony traffic to the customers of national and international networks accessible through Completel's network.

The Telephony Traffic Agreement was entered for an initial terms of five years, starting retroactively on January 1, 2010, and will be renewed for an indefinite term, subject to the right of each party thereto to terminate it with a six-month notice. It will also terminate automatically in case of change of control (as defined in the Telephony Traffic Agreement) of any party thereto.

For the initial term of the Telephony Traffic Agreement, we agreed to exclusively use Completel for the purpose of carrying our telephony traffic, with the exception of "On Net" traffic to Numericable customers (that we carry ourselves), traffic to Numericable-branded mobile phones (that is carried by Bouygues Telecom pursuant to our MVNO Agreement), and traffic to "special" numbers. Fees are

based on the connection fees actually charged by other operators to Completel for the connection of calls originating from our clients to their respective networks, plus a margin.

Local Loop Access Agreement

Numericable SAS, NC Numericable SAS and Est Videocommunication SAS entered into a service agreement (the "Local Loop Access Agreement") with Completel, pursuant to which we agreed to give Completel access to our local loop fiber network, to connect Completel's professional customers to our network through dedicated fibers, and to provide maintenance services for the fibers made available to Completel.

The Local Loop Access Agreement was entered for a non-renewable term of 25 years, starting retroactively on January 1, 2010. It will also terminate automatically in case of change of control (as defined in the Local Loop Access Agreement) of any party thereto.

We charge Completel a one-time fixed fee for the connection of each of its professional customers to our local loop fiber network, and an annual fixed fee per customers for the maintenance of the fibers made available to Completel.

White Label Invoicing Agreement

Numericable SAS and NC Numericable SAS entered into an agreement (the "White Label Invoicing Agreement") with Completel, pursuant to which Completel agreed to invoice our White Label customers on our behalf. Under each of our three White Label agreements, Completel sends invoices including (i) a fee per subscriber, which depends on the type of package subscribed, (ii) the telephony charges and (iii) VOD charges on a monthly basis to the relevant White Label provider. By way of exception, digital television services provided to Darty customers are invoiced by Darty on behalf of Numericable, and paid directly by Darty to Numericable. In addition, Numericable directly invoices Darty for the delivery of set-top boxes.

The White Label Invoicing Agreement was entered for an initial term of one year, starting retroactively on January 1, 2010, and is automatically renewed for additional one-year terms, subject to the right of each party thereto to terminate it with a notice. It will also terminate automatically in case of change of control (within the meaning of Article L.233-3 of the French Commercial Code) of any party thereto.

(4) Relationships with Coditel

As part of the sale of Coditel Belgium and Coditel Luxembourg in June 2011, we entered into a services agreement and a trademark license agreement with Coditel Holding S.A. to ensure the continuity of its operations.

Services Agreement

On June 30, 2011, Numericable SAS entered into a services agreement (the "Coditel Services Agreement") with Coditel. Pursuant to the Coditel Services Agreement, we will continue to provide Coditel with all the services we were providing to it prior to its sale, including:

- VOD platform services and VOD content services;

- television, IP and voice engineering services;

- support and assistance in purchasing hardware and devices needed for its operations, in particular set-top boxes and software, modems, routers and mobile handsets, and also television and VOD content;

- delivery of television channels signals and existing data flows over our backbone;

- upgrade of Coditel's billing software; and

- continued support of Coditel's systems currently located in our premises or currently supported from our systems.

In consideration of the services provided, Coditel agreed to pay to us a total of €100,000 per year. In addition, Coditel will pay to us 10% of its monthly VOD revenues.

The initial term of the Coditel Services Agreement is six years and can thereafter be renewed for consecutive one-year periods, unless prior six months written notice to the contrary by either party. In addition, we can terminate the Services Agreement by giving six months prior written notice in the event that Coditel is acquired by one of our competitors.

Trade Mark License Agreement

On June 30, 2011, Coditel and Numericable also entered into a trademark license agreement (the "Trade Mark Agreement"). Pursuant to the Trade Mark Agreement, we will provide a license to Coditel to use our trademark "Numericable", registered under Ma14502, exclusively in Belgium and Luxembourg in relation to the offering, promotion and commercialization of television, Internet and telephone products and services. The license fee is included in the €100,000 annual fee under the Services Agreement. The Trade Mark Agreement terminates automatically on June 30, 2017, upon termination of all services under the Services Agreement or upon expiry of the Services Agreement. We may immediately terminate the Trade Mark Agreement in the event that Coditel is acquired by one of our competitors.

19 POST-BALANCE SHEET EVENTS

19.1 Purchase of the network of Nice

In April 2012, the Group signed an agreement with the city of Nice in order to purchase the cable network of Nice for a value of €20 million. The purchase price repayment is scheduled as follows:

- €2.5 million paid in June 2012;

- €2.5 million are payable by the end of 2012;

- The remaining €15 million are payable over 20 years (€0.75 million each year from 2013 to 2032) with interest of 4%.

19.2 Tax audit

During the third quarter of 2012, Tax audit mentioned in Note 17.2 have been extended to fiscal year 2010. In the meantime, tax penalties related to the fiscal years 2005 to 2009 have been reduced.

As of June 30, 2012 the Group did not change the provisions recorded in its accounts because the Group believes that the financial risk related to penalties for the year 2010 will represent the same amount than the reductions notified by the administration concerning the penalties for fiscal years 2005 to 2009.

YPSO France

SPECIAL PURPOSE STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended December 31, 2011)

YPSO France
Société par Actions Simplifiée
10, rue Albert Einstein 77420 Champs Sur Marne

SPECIAL PURPOSE STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended December 31, 2011)

Ypso France SAS

10, rue Albert Einstein
77420 Champs-sur-Marne

Special Purpose Statutory Auditor's Report on the Consolidated Financial Statements

To the Chairman,

In our capacity as statutory auditor of Ypso France SAS ("the Company") and as requested by you in connection with Senior Notes issued in February 2012 and due in 2019 by Numericable Finance & Co S.C.A., we hereby report to you, for the year ended December 31, 2011 on the audit of the accompanying consolidated financial statements of the Company.

These consolidated financial statements have been prepared under the responsibility of the Chairman of the Company in the above mentioned context and are not intended to be submitted to the shareholders' approval. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities, and of the financial position of the Group as of December 31, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without modifying our opinion, we draw your attention to the fact set out in Note 2.2 to the consolidated financial statements which indicates that the consolidated financial statements have been consequently prepared on a going concern basis.

This report has been prepared solely within the context described above and is not to be used, circulated, quoted or otherwise referred to for any other purpose.

We do not owe or accept any duty of care to any third party to which this report would be circulated. This report shall be governed by, and construed in accordance with, French law. The courts of France (represented by the Cour d'Appel de Paris) shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning our engagement letter or this report and any matter arising from them. Each party irrevocably waives any right it may have to object an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

Neuilly-sur-Seine, April 27, 2012, one of the statutory auditors

Deloitte & Associés

Albert Aidan

Christophe Saubiez

YPSO France SAS

Consolidated financial statements as of December 31, 2011

Ypso France SAS
10, rue Albert Einstein 77420 Champs-sur-Marne

Ypso France SAS
CONSOLIDATED STATEMENTS OF INCOME

(in thousands of euros)	Notes	2011	2010
Revenue	5	865 126	847 420
Purchases and subcontracting services		(190 348)	(184 230)
Staff costs and employee benefits expense		(75 042)	(76 440)
Taxes and duties		(19 603)	(21 764)
Provisions		(5 252)	(16 713)
Other operating income	6	60 189	46 641
Other operating expenses	7	(209 737)	(189 337)
Operating income before depreciation and amortization (EBITDA)		425 333	405 577
Depreciation and amortization		(205 527)	(225 916)
Operating income		219 806	179 661
Financial income		791	528
Interest relative to gross financial debt		(151 191)	(150 143)
Other financial expense		(5 532)	(972)
Finance costs, net	8	(155 933)	(150 587)
Income tax expense	9	(10 943)	(3 839)
Share in net income (loss) of equity affiliates		(310)	368
Net income (loss) from ongoing activities		52 621	25 603
Net income from discontinued operations	27	126 060	31 237
Net income (loss)		178 681	56 840
—Attributable to equity holders of the parent		178 482	57 081
—Attributable to non-controlling interests		199	(241)

Ypso France SAS
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of euros)	2011	2010
Net income (loss) attributable to equity holders of the parent	178 681	57 081
Cumulative translation adjustments	—	—
Change in fair value of available-for-sale financial assets	—	—
Actuarial gains and losses	—	—
Tax on items recognized directly in equity	—	—
Total other comprehensive income/(loss) attributable to equity holders of the parent	178 681	57 081

In accordance with IAS 1 *Presentation of financial statements (2007)* (IAS 1), the Group presents a statement of comprehensive income. However, as the Group operates only in France (activities of the Group in Belgium and Luxembourg were classified as discontinued operations as at December 31, 2010), the functional and presentation currencies of all the entities within the Group is the euro. As a result, no cumulative translation adjustment has been recognized as of December 31, 2011 and 2010.

With respect to actuarial gains and losses, as mentioned in Note 3.22, the Group recognizes actuarial gains and losses immediately through income. Accordingly, there are no actuarial gains and losses recognized outside of net income.

Available-for-sale financial assets are comprised of various investments in non-consolidated entities, that are not listed (see Note 15) for which fair value cannot be measured reliably. Due to the fact that these investments are not material, these investments are measured at cost and accordingly, no unrealized gain/loss is recognized in the statement of comprehensive income.

Ypso France SAS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of euros)	Notes	December 31, 2011	December 31, 2010
ASSETS			
Goodwill	10	984 534	984 533
Other intangible assets	11	304 669	352 122
Property, plant and equipment	12	1 082 105	1 038 930
Share in net assets of equity affiliates	14	3 577	3 886
Other non-current financial assets	15	5 083	4 712
Deferred tax assets	9	—	—
Non-current assets		2 379 967	2 384 183
Inventories	16	23 953	23 825
Trade receivables and other receivables, net	17	274 274	236 838
Other current financial assets	15	40	245
Income tax receivable	9	—	—
Cash and cash equivalents	18	34 485	14 713
Current assets		332 752	275 621
Assets held for sale	27	—	270 554
TOTAL ASSETS		2 712 719	2 930 358

(in thousands of euros)	Notes	December 31, 2011	December 31, 2010
EQUITY AND LIABILITIES			
Capital stock		12 964	12 964
Additional paid-in capital		991 190	991 190
Retained earnings and other reserves		(1 719 183)	(1 776 198)
Net income (loss)—attributable to the equity owners of the parent		178 482	57 081
Equity attributable to equity owners of the parent		(536 547)	(714 963)
Non-controlling interests		(56)	12 284
Total equity	19	(536 604)	(702 679)
Non-current portion of financial liabilities	20	2 463 738	2 683 009
Non-current provisions	21/22	58 460	44 350
Deferred tax liabilities	9	—	—
Other non-current liabilities		73 570	71 252
Non-current liabilities		2 595 768	2 798 611
Current portion of financial liabilities	20	163 149	183 227
Current provisions	21/22	5 000	570
Trade payables and other current liabilities	23	484 400	439 005
Current income tax liabilities	9	1 006	194
Current liabilities		653 555	622 996
Liabilities held for sale	27	—	211 432
TOTAL EQUITY AND LIABILITIES		2 712 719	2 930 358

Ypso France SAS
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of euros)	Capital stock	Additional paid-in capital	Retained earnings, other reserves and net income (loss)	Total attributable to the owners of the parent	Non-controlling interests	Total equity
Balance as at December 31, 2008	11 264	969 173	(1 840 804)	(860 368)	12 603	(847 764)
Increase in share capital	1 699	22 017	—	23 716	—	23 716
Disposal of Sequalum Participations	—	—	—	—	9	9
Net income (loss)	—	—	65 056	65 056	(85)	64 971
Balance as at December 31, 2009	12 964	991 190	(1 775 748)	(771 595)	12 526	(759 069)
Net income (loss)	—	—	57 081	57 081	(242)	56 840
Other adjustments	—	—	(450)	(450)	—	(450)
Balance as at December 31, 2010	12 964	991 190	(1 719 117)	(714 964)	12 284	(702 679)
Net income (loss)	—	—	178 482	178 482	199	178 681
IFPECS repayment (1)	—	—	—	—	(12 606)	(12 606)
Reclassification	—	—	(66)	(66)	66	—
Balance as at December 31, 2011	12 964	991 190	(1 540 700)	(536 547)	(57)	(536 604)

(1) Repayment of IFPEC

In 2005, the Group, through its subsidiary Coditel Luxembourg, issued to Ypso Luxembourg, the parent company of the Group, Interest Free Preferred Equity Certificates (IFPEC) with an individual nominal value of €25 and an aggregate nominal value of €12,606,000.

The Group classified the instrument on initial recognition as an equity instrument in accordance with IAS 32 as the Group had no contractual obligation to deliver cash.

The IFPECS have been repaid by Coditel Luxembourg on June 30, 2011 just prior to the disposal by the Group of Coditel Luxembourg and Coditel Belgium.

Ypso France SAS
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of euros)	December 31, 2011	December 31, 2010
Net income from ongoing activities	52 621	25 603
Share in net income (losses) of equity affiliates	310	(368)
Depreciation and amortization	219 354	239 962
Gains and losses on disposals	4 729	3 094
Other non-cash operating gains and losses	(19 643)	(51 024)
Net cash provided (used) by operating activities before changes in working capital, finance costs and income tax	257 371	217 267
Finance costs, net	172 771	190 902
Income tax paid	811	(87)
Changes in working capital	4 597	6 545
Net cash provided (used) by operating activities	435 551	414 627
Capital expenditures	(185 507)	(189 957)
Proceeds from disposal of tangible and intangible assets	4 681	8 074
Decrease (increase) in loans and other non-current financial assets	58	125
Cash expenditures for acquisition of consolidated and non-consolidated companies	—	—
Investment subsidies and grants received	7 736	7 479
Net cash provided (used) by investing activities	(173 032)	(174 279)
Proceeds from issuance of shares		—
Issuance of debt	18 336	2 665
Repayment of debt	(297 760)	(132 451)
Interest paid	(123 236)	(138 085)
Net cash provided (used) by financing activities	(402 660)	(267 871)
Net cash flow from continuing activities	(140 142)	(27 523)
Net cash flow from discontinued operations	156 258	15 196
Net increase (decrease) in cash and cash equivalents	16 116	(12 327)
Cash and cash equivalents—opening balance	18 368	30 695
Cash and cash equivalents—closing balance	34 485	18 368

The net cash flow from discontinued operations is detailed in note 27.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Ypso France SAS (the "Company" or the "Group") is a simplified stock company ("société par actions simplifiée") incorporated under French law, subject to French commercial company law and, in particular, the French Commercial Code (Code de commerce). Its registered office is located at 10, rue Albert Einstein 77420 Champs-sur-Marne (France).

The Group operates cable networks in France (activities of the Group in Belgium and Luxembourg have been classified as discontinued operations as at December 31, 2010) and provides television broadcasting, telephony and high speed internet access services over its networks to residential subscribers and business users. The Group operates through legal entities located in France.

The parent company of Ypso France SAS is Ypso Holding S.à.r.l, a company incorporated in Luxembourg, which is held by a group of investment and private equity firms, Altice, Cinven and Carlyle.

The Consolidated Financial Statements reflect the financial position of Ypso France SAS and its subsidiaries, together with interests in equity affiliates. Amounts are reported in euros and all values are rounded to the nearest thousand.

The Consolidated Financial Statements have been prepared and approved by the Chairman on April 24. 2012.

In December 2010, the management of Ypso France decided to dispose of the activities of the Group in Belgium and Luxembourg. The management thus engaged the sale of the subsidiaries Coditel Belgium and Coditel Luxembourg, which was completed as at June 30, 2011.

In accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (IFRS 5):

- the assets of Coditel Belgium and Coditel Luxembourg are presented separately on the face of the balance sheet as at December 31, 2010 in the lines "Assets held for sale" and "Liabilities held for sale";

- the results of Coditel Belgium and Coditel Luxembourg are presented separately in the statement of income in the line "Net income resulting from discontinued operations" for all the periods presented;

- the cash flows from Coditel Belgium and Coditel Luxembourg are presented separately in the cash flow statement in the caption "Net cash flow from discontinued operations" for al lthe periods presented.

The impact of the application of IFRS 5 is further detailed in Note 27.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The accounting policies and measurement principles adopted for the consolidated financial statements at December 31, 2011 are the same as those used in the previous consolidated financial statements.

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) with mandatory application as of December 31, 2011. These accounting standards and interpretations are available on the website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

They are similar to the standards and interpretations published by the IASB and compulsory as of December 31, 2011, with the exception of the carve-out of the IAS 39 standard and the below standards and interpretations adopted by the EU but not yet mandatory in EU as of December 31, 2011. However, those standards and interpretations are not applicable to the Group, because none of the Group's transactions are currently within their scopes as of December 31, 2011. As a result, the Group's Consolidated Financial Statements comply with International Financial Reporting Standards as published by the IASB.

The following are standards and interpretations that have been issued by the IASB/IFRIC and adopted by the EU at the date of approval of these Consolidated Financial Statements but that are not yet effective, of which the Group has not elected an earlier application:

- *IFRS 9: Financial instruments (applicable for annual periods beginning on or after January 1, 2015)*

The standard is the first part of the three-part project that will supersede IAS 39 "Financial instruments: Recognition and Measurement". The first part deals with This first part deals with the classification and the measurement of financial instruments. The effects of its application cannot be analyzed separately from the two other parts not yet published and which should retrospectively address the impairment methodology for financial assets and hedge accounting.

- *IAS 28 (revised 2011): Investments in Associates and Joint Ventures (applicable for annual periods beginning on or after January 1, 2013)*

This standard relates to the accounting for joint ventures and associates under the equity method.

Some clarifications have been included with respect to the accounting for changes in ownership interests (with or without loss of control) whereas disclosures are now covered by IFRS 12.

- *IFRS 10: Consolidated Financial Statements (applicable for annual periods beginning on or after January 1, 2013)*

IFRS 10 supersedes SIC-12 and IAS 27 for the part relating to the consolidated financial statements. This standard deals with the consolidation of subsidiaries and structured entities, and redefines control which is the basis of consolidation.

- *IFRS 11: Joint Arrangements (applicable for annual periods beginning on or after January 1, 2013)*

IFRS 11 supersedes IAS 31 and SIC-13.

This standard deals with the accounting for joint arrangements. The definition of joint control is based on the existence of an arrangement and the unanimous consent of the parties which share the control. There are two types of joint arrangements:

- joint ventures: the joint venturer has rights to the net assets of the entity to be accounted for using the equity method, which is the method already applied by the Group; and

- joint operations: the parties to joint operations have direct rights to the assets and direct obligations for the liabilities of the entities which should be accounted for as arising from the arrangement.

- *IFRS 12: Disclosure of interest in Other Entities (Applicable for annual periods beginning on or after January 1, 2013)*

IFRS 12 supersedes disclosures previously included in IAS 27, IAS 28 and IAS 31.

This standard groups and develops all the disclosures related to subsidiaries, joint ventures, associates, consolidated and unconsolidated structured entities.

- *IFRS 13: Fair value Measurement (applicable for annual periods beginning on or after January 1, 2013)*

IFRS 13 is a single source of fair value measurement and disclosure requirements for use across IFRSs. It:

- defines fair value;

- sets out a framework for measuring fair value; and

- requires disclosures about fair value measurements, including the fair value hierarchy already set out in IFRS 7.

- *IAS 19 (revised 2011): Employee Benefits (applicable for annual periods beginning on or after January 1, 2013)*

The main changes are:

- the removal of the option to defer the recognition of actuarial gains and losses, known as the "corridor method", which has no effect on the financial statements because the Group already accounts for the actuarial gains and losses directly against other comprehensive income; and

- the modification of the calculation of the finance cost component, due to the removal of the expected return on plan assets, which is not expected to have a material effect on the Group's financial statements;

- the immediate expense of non vested past service costs which has no expected material effect to date on the Group's financial statements.

The Group is currently assessing the potential impact of the application of these standards and amendments on the consolidated statement of income, the consolidated statement of financial position, the consolidated statement of cash flows and the content of the notes to the financial statements.

With respect to the Amendment to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*: applicable for financial periods beginning on or after July 1, 2010. The Group classifies its financial instruments measured at fair value into three levels (the fair value hierarchy) and discloses comparative information for the year ended December 31, 2010. The additional disclosure requirements were introduced in March 2009 by *Improving Disclosures about Financial Instruments* (Amendments to IFRS 7).

2.2 Going concern assumption

The Group was formed by series of acquisitions, mainly funded through external borrowings. In addition, the construction and subsequent modernization of the network have required substantial investments. These two factors explain the structure of the balance sheet and the proportion of financial liabilities in relation to total equity as well as the significant amount of depreciation and amortization expense and net finance cost.

In 2011, the Group served its debt and funded its investments through its net cash flows from operations and the proceeds from the sale of Coditel. Furthermore, the Group's covenants under the Senior Facility Agreement (SFA) (see Note 20) require the Group to comply with certain liquidity ratios and to maintain certain cash levels.

Furthermore, as mentioned in the Subsequent Events, the Group issued in February 2012 a € 360 million bond which allowed the Group to reschedule its debt. Under these conditions, management believes that the Group will be able:

- to comply with its quarterly financial covenants in 2012;
- to finance its cash requirements during the year 2012 and the service and reimbursement of its financial debt for this period.

As a result, the Consolidated Financial Statements of the Group as of December 31, 2011 have been prepared on a going concern basis.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Principles governing the Preparation of the Consolidated Financial Statements

Pursuant to IFRS accounting policies, the consolidated financial statements have been prepared according to the historical cost principle, with the exception of certain assets and liabilities detailed below, namely:

- derivative financial instruments measured at fair value;
- financial assets at fair value through profit and loss measured at fair value;
- available-for-sale financial assets measured at fair value.

In preparing the Group's consolidated financial statements, Ypso management carry out estimates, insofar as many elements included in the financial statements cannot be measured with precision.

3.2 Basis of consolidation

Subsidiaries

All companies in which the Group has a controlling interest, namely those in which it has the power to govern financial and operational policies in order to obtain benefits from their operations, are fully consolidated. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

Associates

Investments over which the Group exercises significant influence, but not control, are accounted for under the equity method. Such investees are referred to as "associates" throughout these Consolidated Financial Statements.

Significant influence is presumed to exist when the Group holds at least 20% of the voting power of associates. Associates are initially recognized at cost. The consolidated financial statements include the Group's share of income and expenses, from the date significant influence commences until the date that significant influence ceases.

3.3 Foreign Currency Translation

Foreign currency transactions are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction. At the closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate prevailing on that date. All foreign currency differences are expensed. Non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of initial transaction. All differences are taken to profit and loss.

3.4 Revenue

Revenue from the Group's activities is mainly composed of TV subscriptions (TV), broadband Internet, basic cable services, telephony and installations fees invoiced to residential and business clients.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intercompany sales within the group.

Revenue is recognized and presented as follows, in accordance with IAS 18 *Revenue* (IAS 18):

- Revenues from subscriptions for basic cable services, digital TV pay, internet and telephony are recognized in revenue on a straight-line basis over the subscription period; revenues from telephone calls are recognized in revenue when the service is rendered.

- When a promotion not related to a customer's past consumption and purchases (such as subscription's rate discount, service free period) is offered to customer in relation to a subscription, the Group recognizes the total amount of billable revenue on a straight-line basis over the term of the contract provided that the Group has the enforceable and contractual right to deliver the

customer with the products after the promotional free month period. If a promotion is not subordinated to the subscription to a contract including a non-cancellable period, the company recognizes revenues during the promotion's period up to the consideration received or receivable, as the customer's continuance is not assured.

- Installation and set up fees (including connection) for residential customers are accounted for as revenues when the service is rendered, if consideration received is lower than the sales direct costs to acquire the contractual relationship. Service access fees for business clients when they only allow to access to the services and are sold associated to an equipment or a service, are deferred and the corresponding revenue is recognized along the statistical client lifetime duration and generally spread over the contractual engagement period.

- The revenue related to transmission capacity on terrestrial cables under indefeasible rights of use ("IRU") arrangements are recognized on a straight-line basis over the life of the contract.

3.5 Deferred revenue

For certain arrangements entered into with its non-residential customers, the Group receives up-front cash payments, namely in relation to indefeasible right of use arrangements and connection fees. For these arrangements, the revenue is generally recognized ratably over the duration of the lease contract. Deferred revenue at the end of the reporting period represents unrecognized network lease revenue.

3.6 Operating income before depreciation and amortization

The Group has included the subtotal "Operating income before depreciation and amortization" on the face of the consolidated statement of income. The Group believes that this subtotal is useful to users of the Group's financial statements as it provides them with a measure of the operating results which excludes non-cash elements such as depreciation and amortization, enhancing the predictive value of our financial statements and providing information regarding the results of the Group's ongoing trading activities and cash-flow generation that allows investors to better identify trends in the Group's financial performance.

This measure is used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel.

The Group's subtotal within operating income may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from this measure do ultimately affect the operating results. Accordingly, the Group also presents "Operating income" within the consolidated statement of income which encompasses all amounts which affect the Group's operating results.

3.7 Finance costs

Finance costs primarily comprise:

- interest charges and other expenses paid for financing operations recognized at amortized costs;

- changes in the fair value of interest rate derivative instruments that do not qualify as hedges for accounting purposes according to IAS 39;

- interest income relating to cash and cash equivalents;

- gains on extinguishment of debt

Impact of discounting provisions for retirement benefits is recognized in operating income in "Staff costs and employee benefits expense" with the related charges.

3.8 Segment information

IFRS 8 *Operating Segments* requires segment information to be presented on the same basis as that used for internal reporting purposes.

The internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker, being the President of the Group, in order to allocate resources to the segments and to assess their performance lead to identify separate operating segments.

The Group is managed and operates in three separate operating segments, based on the different geographic areas where the services are rendered: France, Belgium and Luxembourg. As Belgium and Luxembourg activities are identified as discontinued, the only operating segment left is then France.

3.9 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) all taxable temporary differences associated with investments in subsidiaries, branches and associates, except to the extent that both of the following conditions are satisfied a) the Group is able to control the timing of the reversal of the temporary difference (e.g. the payment of dividends); and b) it is probable that the temporary difference will not reverse in the foreseeable future.

Accordingly, for fully and proportionally consolidated companies, a deferred tax liability may be recognized in the amount of taxes payable on planned dividend distributions by these companies.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10 Government grants and investment subsidies

The company may receive non-repayable government grants and investment subsidies in the form of direct or indirect funding of capital projects, mainly provided by local and regional authorities. These grants are deducted from the cost of the related assets and recognized in the income statement, based on the pattern in which the related asset's expected future economic benefits are consumed.

3.11 Goodwill and Business Combinations

Business combinations are accounted for in accordance with the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair value at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5.

The cost of acquisition is measured as the aggregate of (for business combinations entered into before January 1st, 2010):

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree;

- any costs directly attributable to the business combination.

Any excess of the cost of acquisition over the Group's share in the fair value of all identified assets and liabilities is recognized as goodwill.

When goodwill is determined provisionally by the end of the period in which the combination is effected, the Group recognizes any adjustments to those provisional values within twelve months of the acquisition date. Comparative information presented for the periods before the initial accounting of fair values is complete is presented as if the initial accounting had been completed from the acquisition date, if the adjustments to provisional values would have materially affected the presentation of the consolidated financial statements.

If the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds the purchase price, a gain is recognized immediately.

Subsequently, goodwill is measured at its initial amount less recorded accumulated impairment losses (see Note 13). Impairment loss for goodwill is recorded in the income statement as a deduction from operating income and is never reversed subsequently.

With respect to the acquisition of non-controlling interests (i.e. a minority interest in a subsidiary that is already fully consolidated), the Group fully allocates the difference between the price paid and the share in net assets acquired to equity in accordance with IAS 27 (2008), with no revaluation of the assets and liabilities acquired.

3.12 Intangible assets

Recognition and measurement principles

Intangible assets are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises all directly attributable costs necessary to buy, create, produce, and prepare the asset to be capable of operating in the manner intended by management. Intangible assets consist mainly of rights of use, patents, acquired and internally generated software.

IRU correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognized as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibers or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are depreciated over the shorter of the expected period of use and the life of the contract between 3 and 20 years.

Patents are amortized on a straight-line basis over the expected period of use, generally not exceeding 10 years.

Software is amortized on a straight-line basis over its expected useful life which generally does not exceed 3 years.

The cost of an internally generated intangible asset is the sum of personnel expenditure incurred from the date when the intangible asset first meets the recognition criteria of IAS 38. An intangible asset arising from the development phase of an internal project shall be recognized if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

  Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalization of costs ceases when the project is finalized and the asset is available for use. The cost of an internally generated intangible asset arising from the development phase of an IT internal project is amortized on a straight-line basis over its expected useful life which generally does not exceed 3 years.

Conformity with agreements entered into with local authorities

To set up and operate its networks, the company has entered into various agreements with the local authorities and representative bodies under successive legal frameworks (French cable network plan, Freedom of Communication Act of 1986, etc.). Many of these agreements convey exclusive rights to the operator and also lay down obligations in terms of local television service provision, programming, pricing policy, and the associated license fees payable. Some of the agreements are public service concessions with "return property" clauses, whereby ownership of the technical plant and civil engineering works reverts to the local authorities at the end of the concession.

The EU Telecoms Directives of 2002, referred to as the "Telecoms Package", set forth the principle of open competition among operators on the telecommunications market, requiring national regulatory authorities to enforce fair competition conditions, without granting exclusive or special rights for setting up and operating networks. The French law of July 9, 2004, which transposed the Telecoms Package into French law, required existing agreements to be brought into compliance by the end of July 2007 at the latest, in order to remove all exclusive rights clauses and ensure the shared use of public civil engineering infrastructure.

In July 2007, the French regulatory authority for communications and postal affairs ("ARCEP") issued a report on cable network agreement compliance, stating that some agreements could justifiably be classified as public service concessions (hence ownership of certain infrastructure and facilities may be transferred to the local authorities at the end of the agreement under a "return property" clause).

For its part, the Group believes that only a minority of the agreements entered into with the local authorities were classified as public service concessions when concluded and then that IFRIC 12 do not apply, with the exception of the contract entered into in relation to the public service delegation arrangement with the department of Hauts-de-Seine (*Délégation de Service Public 92)*.

Since the implementation of the Telecoms Package, the Group has endeavored to convert the agreements concerned into contracts conferring public domain rights of way. However, there are still a number of agreements that do not comply with the directives. While the Group has not yet fully measured the outcome of the process, it believes that efforts to conform with the directives will not have an adverse effect that should be accounted for in the financial statements at the current time.

3.13 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Buildings and premises are amortized on a straight-line basis over 20 years.

When property, plant and equipment include significant components with different useful lives, they are recorded and amortized separately. With respect to network and technical equipment, amortization and

depreciation are calculated on a straight-line basis and the main amortization and depreciation periods are as follows:

Network and technical and equipment	Method	Duration
Network hubs	Straight line	10 to 15 years
Optical cables	Straight line	15 to 30 years
Engineering facilities	Straight line	20 to 40 years
Connections	Straight line	5 years
Digital terminals	Straight line	3 to 5 years
Furniture	Straight line	5 to 10 years
Fixtures and fittings	Straight line	8 to 10 years
Transport equipment	Straight line	2 to 5 years
Office equipment	Straight line	3 to 5 years
Computer equipment	Straight line	3 to 5 years

Gains or losses on disposal of property, plant and equipment are calculated as the difference between the profit from the disposal and the carrying amount of the asset and are recognized as other operating income or expenses.

3.14 Lease arrangements

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except

where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.15 Impairment of non-current assets

Each time events or changes in the economic environment indicate a current risk of impairment of goodwill, other intangible assets, property, plant and equipment and assets in progress, the Group re-examines the value of these assets. In addition, goodwill, other indefinite life intangible assets and intangible assets in progress are all subject to an annual impairment test during the second semester of each fiscal year.

This test is performed in order to compare the recoverable amount of an asset to its carrying amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In that case, recoverable amount is determined for the cash-generating unit to which the asset belongs. A Cash Generating Unit ("CGU") is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The value in use of each asset or group of assets is determined as the discounted value of future cash flows (discounted cash flow method or "DCF") by using a discount rate after tax specific to each asset or group of assets concerned.

The fair value less costs to sell is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable and willing parties, less costs to sell.

Where the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the caption "Depreciation and amortization" in the income statement. Only impairment loss recognized on assets other than goodwill such depreciable intangible assets, intangible assets with indefinite useful life and property, plant and equipment is reversed.

3.16 Financial assets

The Group classifies financial assets in four categories: available-for-sale, loans and receivables, held-to-maturity and financial assets at fair value through profit and loss. They are classified as current assets and non-current assets according to IAS 1.

Purchases and sales of all financial assets are accounted for at settlement date.

Available-for-sale financial assets

Available-for-sale financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition, they are reported at their fair value. Gains and losses arising from changes in their fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period.

Available-for-sale financial assets consist mainly of shares in non consolidated companies. Fair value corresponds to quoted price for listed securities or, for non listed securities, the group values financial assets at historical cost, less any impairment losses, when a reliable estimate of fair value cannot be made using valuation techniques in the absence of an active market.

When there is an objective evidence that available-for-sale assets are impaired, the cumulative impairment loss included in equity is reclassified from equity to income. Objective evidence that an available-for-sale financial asset is impaired includes, among other things, a decrease in the estimated future cash flows arising from these assets, as a result of significant financial difficulty of the issuer, a material decrease in expected future profitability or a prolonged decrease in the fair value of the security. Impairment losses recognized in profit or loss for equity instruments classified as available-for-sale are never reversed through profit or loss.

Available-for-sale financial assets are included in non-current asset unless management intends to dispose of the investment within 12 months of the balance sheet date.

Loans and receivables

Loans and receivables are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition. After initial recognition, they are measured at amortized cost using the effective interest rate method.

This category mainly includes trade receivables.

If there is objective evidence that an impairment loss has been incurred, the amount of this loss, measured as the difference between the financial assets' carrying value and its recoverable amount is recognized in profit or loss. Impairment losses may be reversed if the recoverable amount of the asset subsequently increases in the future.

Held-to-maturity financial assets

Held-to-maturity financial assets are financial assets with fixed or determinable payments and fixed maturity that the Group has a positive intent and ability to hold to maturity. Financial assets that are designated as held-to-maturity are measured at amortized cost, in accordance with the effective interest rate method.

They are reviewed for impairment on an individual basis if there is any indication they may be impaired.

The Group does not classify any financial asset in this category.

Financial assets measured at fair value through profit or loss

These financial assets are measured at fair value with gains and losses recorded as financial profits or expenses.

This category mainly includes:

- assets held for trading which the Group intends to sell in the near future (primarily marketable securities);
- assets voluntarily classified at inception in this category;
- derivatives financial assets.

3.17 Inventories

Inventories, mainly set top boxes and other 'TV boxes', are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method and includes expenditure incurred in acquiring the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

3.18 Cash and cash equivalents

Cash consists of cash in banks and deposits.

Cash equivalents consist of highly liquid investments not subject to significant changes in value and with an original maturity date of generally less than three months from the time of purchase. They include mainly money markets mutual funds (SICAV).

3.19 Share capital

Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.20 Financial Liabilities

Financial liabilities other than derivative instruments include:

- Borrowings under the Senior Facility Agreement, debt related to finance leases, guarantee deposits, advances received, bank overdrafts;

- perpetual floating rate notes ("titres subordonnés à durée indéterminée" or "TSDI");

Borrowings under the SFA, debt related to finance leases, guarantee deposits, advances received, bank overdrafts

These financial liabilities are measured at amortized cost calculated based on the effective interest rate method according to IAS 39. The effective interest rate is the internal yield rate that exactly discounts future cash flows through the term of the financial liability. Fees, debt issuance and transaction costs are included in the calculation of the effective interest rate over the expected life of the instrument. The accrued interests are included in "Current portion of financial liabilities" in the statement of financial position.

Perpetual floating rate notes (TSDI)

The instrument includes a contractual obligation to deliver cash (including interest) when cash inflows arising from revenues allow the Group to reimburse the financing borrowing according to the terms of the contract. Pursuant to this contract, the payment of interest and the reimbursement of the debt in contingent to the level of cash inflows generated but the Group does not have an unconditional right to avoid delivering cash. As a consequence, the instrument is recognized as a financial liability at amortized cost according to IAS 32.

3.21 Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The Group enters into interest rate swaps and caps to manage its interest rate exposure. The objective is to convert variable interest rate financial instruments into fix interest rate financial instruments. These contracts do not qualify as hedges for accounting purposes according to IAS 39, as there was no formal designation and documentation of the hedging relationship at inception. Changes in the fair value of any these derivative instruments are recognized immediately in the income statement within financial income and expenses.

3.22 Employee benefits, provisions and contingent liabilities

Provisions are recognized when the Group has a legal obligation (legal, regulatory or contractual) or a constructive obligation, as a result of past events, and it is probable that economic benefits in the form of outflow of resources will be required to settle the obligation and the obligation can be reliably estimated. Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is not recognized, but disclosed.

Employee benefits

The Group participates in employee benefit plans through defined contribution plans, and defined benefit plans.

The Group accounts for pension costs related to defined contribution plans as they are incurred within personnel expenses in the income statement.

Estimates of the Group's pension and end of service benefit obligations are calculated annually, in accordance with the provisions of IAS 19 *Employee Benefits* (IAS 19), with the assistance of independent actuaries, using the projected unit credit method and considering actuarial assumptions including the probable turn-over of beneficiaries, the increase of salary, the expected average life span and the probable future length of the employees' service and an appropriate discount rate updated annually.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit and loss when they are incurred.

Litigations

The amount of provisions for litigation is based on the Group's assessment of the level of risk and depends on its assessment of the basis for the claims.

Restructuring

Provisions for restructuring costs are recognized when the restructuring plans have been finalized and approved by the Group's management, and when the Group has raised a valid expectation in those affected that it will carry out the plan either by starting to implement the plan or announcing its main features to those affected by it. These provisions only include direct expenditures arising from the restructuring, notably severance payments, early retirement costs, costs for notice periods not worked and other costs directly linked with the closure of the facilities.

3.23 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. According to the Group, it does not take a substantial period of time to get ready for the intended use because of the incremental deployment of the network. IAS 23 *Borrowing Costs* has consequently no impact on the consolidated financial statements.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Group management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses.

Such estimates are prepared on the assumption of going concern, established based on currently available information and take into consideration the current economic environment. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

The measurement of some assets and liabilities in the preparation of these financial statements include assumptions made by management particularly on the following items:

- *Revenue recognition:* As indicated in Note 3.4, revenue under IAS 18 accounting is measured at the fair value of the consideration received or to be received when the Group has transferred the significant risks and rewards of ownership of a product to the buyer or when service is rendered. With respect to contracts that includes installation, connection and set up fees for residential customers, significant judgment is required to determine whether the recognition criteria set forth in IAS 18 should be applied separately and whether installation, set up and connection should be considered a separable service. With respect to service access fees for business clients, management estimates the statistical client lifetime duration and generally recognizes revenue ratably over the contractual engagement period, which is estimated at the inception of the arrangement based on historical information. Accordingly, depending upon how judgment is exercised and how estimates are determined, the timing and amount of revenue recognized could differ significantly.

- *Capitalization of development costs:* the criteria for capitalizing development costs are set out in Note 3.12. Once capitalized, these costs are amortized over the estimated useful lives of the products concerned (generally 3 years). The Group must therefore evaluate the commercial and technical feasibility of these development projects and estimate the useful lives of the products resulting from the projects. Should a product fail to substantiate these assumptions, the Group may be required to impair or write off some of the capitalized development costs in the future.

- *Fair value of financial instruments* (see Note 24.3): fair value is determined by reference to the published market price at period end. For financial instruments for which there exists no published market price in an active market such as the interest-rate swaps the Group currently uses to hedge its interest rate risk, fair value is then estimated based on models that rely on market observable data or by the use of various valuation techniques, such as present value of future cash flows.

- *Recognition of deferred tax assets on unrealized tax loss carryforwards* (see Notes 3.10 and 9): deferred tax assets relate primarily to tax loss carry-forwards and to deductible temporary

differences between reported amounts and the tax bases of assets and liabilities. The assets relating to the tax loss carry-forwards are recognized if it is probable that the Group will generate future taxable profits against which these tax losses can be set off. Evaluation of the Group's capacity to utilize tax loss carry-forwards relies on significant judgment. The Group analyzes past events, and the positive and negative elements of certain economic factors that may affect its business in the foreseeable future to determine the probability of its future utilization of these tax loss carryforwards. As of December 31, 2011 and 2010, in evaluating whether deferred tax assets should be recognized, management considered the weight of one form of negative evidence being a significant amount of cumulative losses in recent years and concluded that it is not probable that future taxable profit will be available against which the unused tax loss carryforwards can be utilized.

- *Impairment tests* (see Notes 3.11 and 13): the determination of recoverable amounts of the CGUs assessed in the annual impairment test requires an estimate of their fair value net of disposal costs as well as their value in use. The assessment of the value in use requires assumptions to be made with respect to the operating cash flows of the CGUs as well as the discount rates.

  The determination of the value in use is based on assumptions such as the weighted average cost of capital and the growth rate beyond projection period. These assumptions can vary, which may result in the recoverable amount to decrease below the carrying amount, and therefore to the recognition of an impairment charge. As of December 31, 2011 and 2010, the assumptions used for the purposes of determining the value in use were as follows:

	December 31, 2011	**December 31, 2010**
Weighted average cost of capital (WACC)	8.18%	8.02%
Growth rate beyond projection period for terminal value (GTP rate)	1.75%	1.50%

  The determination of the value in use has been determined by using cash flow projections based on financial budgets approved by senior management covering a planning period of 8 years. The relatively long projection period for estimating future cash flows is justified by the long contractual relationship with the customers. The projections of subscribers, revenue, costs, and capital expenditures are based on reasonable and supportable assumptions that represent management's best estimates. Key assumptions are the estimated number of subscribers and the level of upgraded network infrastructure. The projections are based on both past experience and expected future market penetration with the various products.

  In terms of sensitivity of recoverable amounts, a change of plus or minus 0.25% in the WACC would decrease or increase the recoverable amount by roughly 140 million euros. Likewise, a change of plus or minus 0.25% in the GTP rate would increase or decrease the recoverable amount by approximately 100 million euros.

  As at December 31, 2011, the amounts by which the key assumptions would have to change where the change would result in the recoverable amount equaling the carrying amount are as follows:

  - WACC increase by 337 basis point from 8.18% to 11.55%;
  - GTP rate decrease by 598 basis point from 1.75% to −4.48%;
  - Gross margin fall by 11.8% from an average gross margin of 52.3% to an average gross margin of 40.5%;

5 REVENUE

The Company is one of the leading French alternative telecommunication operators, active in both the consumer market, where the Company offers cable TV, broadband Internet and fixed and mobile telephony services to consumers in France (activities of the Group in Belgium and Luxembourg have been classified as discontinued operations) and the wholesale market, where the Company offers traditional wholesale voice and data services, data links, fiber access and infrastructure sale to other telecommunications operators as well as white label cable TV, broadband Internet and telephony services to retail consumers.

Revenue by nature breaks down as follows:

(in thousands of euros)	December 31, 2011	December 31, 2010
Numericable Branded revenues		
Digital	660 383	665 380
Bulk	69 964	75 100
Analog	51 139	69 527
White labels revenues	53 803	26 797
Wholesale revenues	29 837	10 616
Total revenues	**865 126**	**847 420**

6 OTHER OPERATING INCOME

Other operating income is primarily comprised of the following:

(in thousands of euros)	December 31, 2011	December 31, 2010
Own work capitalized[(a)]	44 672	35 490
Proceeds from sale of assets	4 681	8 074
Other[(b)]	10 836	3 077
Other operating income	**60 189**	**46 641**

(a) Own work capitalized are related to network projects staffed by in-house employees resulting from increased upgrade activity of the cable footprint. A corresponding amount of expenditure is reflected in staff costs.

(b) This caption includes a fine of €10 million paid by France Telecom in 2011. In March 2011, the Court of Paris condemned France Telecom because of restrictive trade practices on the ADSL market in 2001 and 2002.

7 OTHER OPERATING EXPENSES

Other operating expense is primarily comprised of the following:

(in thousands of euros)	December 31, 2011	December 31, 2010
Outsourcing and purchased services	(88 754)	(70 630)
Advertising fees	(30 394)	(21 693)
Fees paid to other third parties	(27 843)	(26 501)
Royalties and license fees paid	(12 810)	(14 031)
Rights of way paid	(11 861)	(10 007)
Rental and leasehold charges	(10 357)	(9 766)
Net book value of assets sold	(9 382)	(11 168)
Bad debt expense	(6 508)	(9 993)
Postal expenses	(4 048)	(4 488)
Transportation expenses	(2 952)	(2 377)
Management fees paid to our shareholders	(1 496)	(4 175)
Repair and maintenance expenses	(78)	(55)
Miscellaneous operating expense	(3 254)	(4 453)
Other operating expense	**(209 737)**	**(189 337)**

Management fees have been paid to our shareholders Altice, Cinven and Carlyle in relation to certain management, financing and advisory services provided.

Royalties and license fees have been paid to certain third parties such as the SACEM (*Société des Auteurs, Compositeurs et Editeurs de Musique*, a French professional association collecting payments of artists' rights and distributing the rights to the original authors, composers and publishers) and the ANGOA (*Agence Nationale de Gestion des Œuvres Audiovisuelles*, in charge of collecting and redistributing fees to French producers and cable TV or ADSL operators).

Bad debt expense corresponds to the write off of the period (€10.9 million in 2011 and €13.8 million in 2010) less the corresponding reversal of valuation allowance (€4.4 million in 2011 and €3.8 million in 2010 as disclosed in Note 17).

8 FINANCE COSTS, NET

Finance costs, net as of December 31, 2011 and 2010 can be analyzed as follows:

(in thousands of euros)	December 31, 2011	December 31, 2010
Interest income received on cash and cash equivalents	440	528
Change in fair value of interest rate derivatives	21 580	40 758
Interest expense on financing determined using the effective interest rate	(172 771)	(190 901)
Other financial expenses	(5 532)	(972)
Other interest income	351	—
Finance costs, net	**(155 933)**	**(150 587)**

As of December 31, 2011, other financial expenses mainly include the change in value of the cap instruments (€2,067 thousand) and provisions for financial risks (€2,734 thousand).

9 INCOME TAX

9.1 Income tax expense

Income tax expense is comprised of the following:

(in thousands of euros)	December 31, 2011	December 31, 2010
Current income tax expense	(10 943)	(3 839)
Deferred income tax expense	—	—
Income tax expense	**(10 943)**	**(3 839)**

9.2 Reconciliation between the effective tax rate and the theoretical tax rate

(in thousands of euros)	December 31, 2011	December 31, 2010
Net income (loss) before tax	63 574	29 442
Less: Share in net income (loss) of equity affiliates	310	(368)
	63 874	29 074
Corporate tax rate in France	34.43%	34.43%
Income tax expense calculated at 34.43%	**(21 992)**	**(10 010)**
Reconciliation of income tax expense		
Effect of revenue that is exempt from taxation and effect of expenses that are not deductible in determining taxable profit	(5 568)	18 274
Effect of unused tax losses and tax offsets not recognized as deferred tax assets	16 622	(12 113)
Research and development tax credit	—	117
Effect of other differences	(5)	(107)
Income tax expense recognized in profit or loss	**(10 943)**	**(3 839)**
Effective tax rate	17.13%	13.21%

The tax rate used for the 2011 and 2010 reconciliations above is the corporate tax rate of 34.43% payable by corporate entities in France on taxable profits under tax law in that jurisdiction.

9.3 Current tax assets and liabilities

No tax refund receivable was recognized as of December 31, 2011 and 2010.

The income tax payable is classified in "Current tax liabilities" and amounts to €1,006 thousand and €194 thousand as of December 31, 2011 and 2010 respectively.

9.4 Unrecognized deferred tax assets

Aggregate unused loss carry-forwards as at December 31, 2011 amounted to €1 846 million representing a tax asset of €636 million. The tax asset for loss carry-forwards was not recognized in the financial statements as its recovery depends on future earnings, which are uncertain.

The total net tax loss carryforwards breaks down by legal entity as follows:

(in thousands of euros)	December 31, 2011	December 31, 2010
Ypso France[1]	603 392	579 290
NC Numericable and TME[2]	1 239 376	1 239 056
Sequalum and Sequalum Participation	3 322	1 436
Total tax loss carryforwards	**1 846 090**	**1 819 782**
Unrecognized deferred tax assets	**635 609**	**626 551**

(1) This reflects the amount of losses generated during the period by the Ypso France consolidated tax group, which comprises the companies Ypso France, Numericable, NC Numericable, TME France, and Est Vidéocommunications. This line item also includes the tax losses generated by Ypso France prior to the tax consolidation.

This item includes losses contested by the tax authorities (€68,104 thousand as of December 31, 2011).

(2) This reflects the tax losses generated by companies of the NC Numericable subgroup before inclusion in the consolidated tax group.

The potential tax savings relate to tax losses carried forward that expire as follows:

Years (in thousands of euros)	December 31, 2011
2010	—
2011	—
2012	—
2013	—
2013 and thereafter	—
Indefinite	1 846 090
Total tax loss carryforwards	**1 846 090**

9.5 Tax audits

Since the second half of 2008, certain Group's subsidiaries, NC Numericable SA, LCO SA (merged in 2008), RAPP 16 (merged in 2008) and SLT (merged in 2005), have been subject to a tax audit by the French tax authorities for fiscal years ended December 31, 2006 and 2005. As a result, a tax contingency for an amount of €3.3 million is recognized as of December 31, 2011 (vs €11.3 million as of December 31, 2010).

Since the second half of 2010, NC Numericable SA, Numericable SAS, Est Videocommunication and Ypso France SAS are subject to other tax audits by the French tax authorities for fiscal years ended December 31, 2007, December 31, 2008 and 2009. As a result, a tax contingency for an amount of €23.1 million is recognized as of December 31, 2011 (vs €4.4 million as of December 31, 2010).

10 GOODWILL

(in thousands of euros)	December 31, 2011	December 31, 2010
Carrying amount, net:		
Balance as of the beginning of the year	984 533	1 194 728
Additional goodwill recognized during the period	1	—
Disposal of Coditel	—	(210 195)
Balance as of the end of the year	**984 534**	**984 533**

The Group is the result of a series of acquisitions carried out over the past years:

- *December 2002*: Acquisition of Est Videocommunications (EV) (Alsace region) by Altice One (a group of investors led by Patrick Drahi. EV was formed in 1990 as an indirect subsidiary of Electricité de Strasbourg (controlled by EDF), the provider of electricity services in Alsace. EV had been an active consolidator of smaller cable operations in Alsace and grew into its current position as the leading cable service provider in Alsace. Electricité de Strasbourg retained a 5% shareholding in Est Vidéocommunications, which has been purchased by the Group in 2008.

- *November 2003*: Acquisition of Coditel (Belgium and Luxembourg) by Altice One. Coditel was founded in 1960 and started as a provider of cable services in the Brussels area. The operations expanded into Luxembourg in 1971. Today, Coditel is the main cable operator in the Brussels region, as well as in the City of Luxembourg. The Group disposed of these two subsidiaries in June 2011.

- *March 2005*: Acquisition by Altice and Cinven from France Telecom and Groupe Canal+ of a 60% controlling equity interest in Ypso, a newly created entity combining France Telecom Cable (FTC), NC Numericable (NCN) and TDF Cable (TDFC). France Telecom and Groupe Canal+ each retained a minority stake of 20% in Ypso until February 2006 when Altice and Cinven bought them out:

    - FTC was founded and operated by France Telecom in 1993 as a result of the French government's push to develop cable networks at the time. As part of the March 2005 transaction, TDFC became a subsidiary of FTC, along with its network assets. With the acquisition, FTC became the owner of the Wanadoo Cable Broadband Internet subscriber base, and network assets employed by FTC were transferred from France Telecom to Ypso;

    - Compagnie Générale de VideoCommunication (CGV), founded in 1984 and controlled by the Générale des Eaux (now Veolia), was renamed NCN in 1998, when Groupe Canal+ became the majority shareholder. As part of the March 2005 acquisition, network assets employed by NCN were transferred from France Telecom to Ypso.

- *November 2005*: Acquisition of Altice One by Eno (new holding vehicle owned by Altice and Cinven): Eno was created by Altice and Cinven in order to align shareholding structure and economic interest at Altice One with Ypso's and facilitating a business combination with Ypso, which took place in June 2006, thus resulting in a significant amount of goodwill recognized as a result of the business combination.

- *July 2006*: Acquisition of Noos-UPC France by Ypso: Liberty Global acquired UPC France SA (UPC) and Noos in September 1999 and July 2004, respectively, and subsequently combined both companies into a single entity − UPC France was created in 1995 through the combination of

networks owned by UIH and Philips (Citecable). In 1999, UPC further expanded in France through small acquisitions and in September 1999, Liberty Global acquired a controlling interest in UnitedGlobalCom ("UGC"), the Parent Company of UPC France. In July 2005, UGC worldwide merged with Liberty Global International to become Liberty Global. Noos was created in 1986 and became a significant player in the French cable industry when it won the contract to build a cable network for Paris and its suburbs in 1999. In July 2004, GDF Suez sold 79.9% of Noos (then the #1 French cable operator) to UGC. The remaining 20.1% shares were sold in April 2005.

11 OTHER INTANGIBLE ASSETS

(in thousands of euros)	Capitalized development costs	Usage rights, patents and licenses	Commercial rights	Other intangible assets	Total
Gross value					
Balance as of January 1, 2011	2 181	495 155	35 841	34 476	**567 653**
Capital expenditures and additions	2 121	15 185	77	4 048	21 431
Business combinations	—	—	—	—	—
Disposal	—	—	—	—	—
Reclassification	—	—	—	—	—
Balance as of December 31, 2011	4 302	510 340	35 918	38 524	**589 084**
Cumulative amortization and Depreciation					
Balance as of January 1, 2011	(145)	(162 920)	(34 660)	(17 806)	**(215 531)**
Amortization expense	(925)	(60 972)	—	(6 987)	(68 884)
Depreciation expense	—	—	—		—
Reversal of depreciation expense	—	—	—		—
Disposal	—	—	—		
Reclassification	—	—	—		—
Balance as of December 31, 2011	(1 070)	(223 892)	(34 660)	(24 793)	**(284 415)**
Net book value					
Balance as of January 1, 2011	2 036	332 235	1 181	16 669	**352 122**
Balance as of December 31, 2011	3 232	286 448	1 248	13 731	**304 669**
Gross value					
Balance as of January 1, 2010	6 697	485 565	33 944	23 480	549 687
Capital expenditures and additions	2 134	12 445	—	10 996	25 576
Business combinations	—	—	—	—	—
Disposal of Coditel	(6 650)	(2 855)	—	—	(9 505)
Reclassification	—	—	1 897	—	1 897
Balance as of December 31, 2010	2 181	495 155	35 841	34 476	**567 653**

(in thousands of euros)	Capitalized development costs	Usage rights, patents and licenses	Commercial rights	Other intangible assets	Total
Cumulative amortization and depreciation					
Balance as of January 1, 2010	(5 202)	(184 861)	(33 700)	(5 879)	**(229 641)**
Amortization expense	(98)	(60 799)	—	(6 151)	(67 048)
Depreciation expense	—	—	—	—	—
Reversal of depreciation expense	—	—	—	—	—
Disposal of Coditel	5 155	2 373	—	—	7 528
Reclassification	—	80 367	(960)	(5 777)	(73 630)
Balance as of December 31, 2010	(145)	(162 920)	(34 660)	(17 806)	**(215 531)**
Net book value					
Balance as of January 1, 2010	1 496	300 704	244	17 601	**320 045**
Balance as of December 31, 2010	2 036	332 235	1 181	16 669	**352 122**

Usage rights represent the most part of the line item "usage rights, patents and licenses". They reflect the rights to use the civil engineering installations and infrastructure built by the incumbent operator.

12 PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	Land	Buildings	Network and technical equipment	Work in progress	Other	Total
Gross value						
Balance as of January 1, 2011	1 351	48 562	1 619 905	50 814	67 617	**1 788 250**
Capital expenditures and additions	—	1 111	164 156	17 559	6 371	189 197
Business combinations	—	—	—	—	—	—
Disposals	(31)	(170)	(34 731)	—	(1 600)	(36 532)
Reclassification	—	—	—	—	—	—
Balance as of December 31, 2011	1 320	49 503	1 749 330	68 373	72 388	**1 940 915**
Cumulative amortization and depreciation						
Balance as of January 1, 2011	—	(21 600)	(667 310)	(678)	(59 734)	**(749 320)**
Amortization expense	—	(3 700)	(123 619)	—	(6 100)	(133 419)
Depreciation expense	—	—	—	(1 333)	—	(1 333)
Reversal of depreciation expense	—	—	—	678	—	678
Disposals	—	170	25 394	—	1 600	27 164
Reclassification	—	—	—	—	—	—
Balance as of December 31, 2011	—	(25 130)	(765 535)	(1 333)	(64 234)	**(856 232)**
Net book value						
Balance as of January 1, 2011	1 351	26 962	952 596	50 137	7 883	**1 038 930**
Balance as of December 31, 2011	1 320	24 373	983 795	67 040	8 154	**1 084 683**

(in thousands of euros)	Land	Buildings	Network and technical equipment	Work in progress	Other	Total
Gross value						
Balance as of January 1, 2010	1 421	48 406	1 554 173	58 041	83 871	**1 745 912**
Capital expenditures and additions	—	862	158 631	651	3 634	163 779
Business combinations	—	—	—	—	—	—
Disposals, other than Coditel	—	—	(45 348)	(4 261)	(793)	(50 403)
Disposal of Coditel	(70)	(706)	(51 168)	—	(19 150)	(71 093)
Reclassification	—	—	3 617	(3 617)	54	54
Balance as of December 31, 2010	1 351	48 562	1 619 905	50 814	67 617	**1 788 250**
Cumulative amortization and depreciation						
Balance as of January 1, 2010	—	(19 217)	(590 215)	—	32 294	**(577 139)**
Amortization expense	—	(4 160)	(132 049)	—	(19 323)	(155 532)
Depreciation expense	—	—	—	(678)	—	(678)
Reversal of depreciation expense	—	—	29 685	—	765	30 450
Disposal of Coditel	—	222	14 061	—	12 978	27 261
Reclassification	—	1 555	11 208	—	(86 448)	(73 685)
Balance as of December 31, 2010	—	(21 600)	(667 310)	(678)	(59 734)	**(749 320)**
Net book value						
Balance as of January 1, 2010	1 421	29 189	963 958	58 041	116 165	**1 168 774**
Balance as of December 31, 2010	1 351	26 962	952 596	50 137	7 883	**1 038 930**

The net book value of assets under finance leases breaks down as follows:

(in thousands of euros)	December 31, 2011	December 31, 2010
Land	1 029	1 029
Buildings	7 179	7 489
Technical equipment	17 071	11 027
Other		6
	25 279	**19 551**

13 IMPAIRMENT TEST

13.1 Allocation of goodwill to the cash-generating units (“CGU”)

As a result of the various acquisitions described in Note 10, goodwill has been allocated to the CGU Numericable, NC Numericable, Est Videocommunication and other entities in accordance with IAS 36.

13.2 Key assumptions used to determine the recoverable amount of the CGUs

The impairment test of goodwill is done based on the respective cash generating units defined above. In accordance with IAS 36 Impairment of Assets, the impairment test is performed by comparing the carrying amount with the recoverable amount.

The recoverable amount is determined based on the value in use using a discounted cash flow approach.

The determination of the value in use is based on the following estimates as of December 31, 2011 and 2010:

	2011	2010
Length of projection period	8 years	8 years
Weighted average cost of capital	8.18%	8.02%
Growth rate beyond projection period for terminal value	1.75%	1.50%

The determination of the value in use has been established by using cash flow projections based on financial budgets approved by senior management covering a planning period of 8 years. The relatively long projection period for estimating future cash flows is justified by the long contractual relationship with the customers.

The projections of subscribers, revenue, costs, and capital expenditures are based on reasonable and supportable assumptions that represent management's best estimates. Key assumptions are the estimated number of subscribers and the level of upgraded network infrastructure. The projections are based on both past experience and expected future market penetration with the various products.

As mentioned in Note 4, the determination of the value in use is based on assumptions such as the weighted average cost of capital and the growth rate beyond projection period. These assumptions can vary, which may result in the recoverable amount to decrease below the carrying amount, and therefore to the recognition of an impairment charge.

The net book value of goodwill breaks down as follows as of December 31, 2011:

(in thousands of euros)	December 31, 2011
NC Numericable SA	528 588
Est Videocommunication	229 076
Numericable SAS	150 562
Other entities	76 308
	984 534

14 INVESTMENT IN ASSOCIATE

The Group exercises significant influence over Alsace Connexia Participation, an associate accounted for under the equity method of accounting. Alsace Connexia Participation is indirectly owned 38.14% by Ypso France, 38.15% by LD Collectivités and 23.71% by Sogetrel Réseaux as of December 31, 2011. In 2009, LD Collectivités bought the equity interest held by Sogetrel Réseaux and now holds a controlling interest in Alsace Connexia Participation.

Alsace Connexia Participation owns a 70% stake in Alsace Connexia, which has been granted a public service concession by the regional authority of Alsace to design, build, fund, operate and market telecommunications infrastructure in the region for a 15-year period. The concession contract took effect as of February 3, 2005.

The following tables provide information on the net assets and operating results of Alsace Connexia Participation:

(in thousands of euros)	December 31, 2011	December 31, 2010
Net assets	9 413	10 227
Share of net assets of Ypso France SAS	3 577	3 886

(in thousands of euros)	December 31, 2011	December 31, 2010
Net income (loss)	(815)	968
Share of net income (loss) of Ypso France SAS	(310)	368

15 OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

	Current		Non-current	
(in thousands of euros)	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Interest-rate derivatives	—	—	313	2 380
Investments in non-consolidated entities classified as available-for-sale	—	—	52	71
Other financial assets	40	245	4 718	2 261
Total financial assets	**40**	**245**	**5 083**	**4 712**

As disclosed in Note 24.3, the Group enters into interest rate caps to manage its interest rate exposure but these derivatives do not qualify as hedges for accounting purposes according to IAS 39. Accordingly, changes in the fair value of any these derivative instruments are recognized immediately in the income statement as part of finance costs, net as these interest-rate derivatives are directly related to the application of our interest rate risk management policy even though they do not qualify for hedge accounting under IAS 39 (see Note 7).

Such interest-rate derivatives are presented as non-current financial assets because they are not held primarily for trading purposes, designated under a non-qualifying hedge accounting relationship.

In 2009, the Group entered into interest rate options, referred to as caps in order to compensate if interest rates rise above a predetermined rate (strike rate). Caps are measured at their fair values and classified as a non-current financial asset for €313 thousand as of December 31, 2011 and 2,380 thousand as of December 31, 2010.

The investments in non-consolidated entities classified as available-for-sale financial assets are related to equity interests held by the Group in non-consolidated entities such as Cable Toulousain de Videocom, Médiamétrie Expansion, Rennes cité Média and TV7 Bordeaux. These companies are not consolidated due to the Group's lack of control or influence over them.

16 INVENTORIES

(in thousands of euros)	December 31, 2011	December 31, 2010
Gross value	24 988	25 017
Valuation allowance	(1 035)	(1 192)
Net book value	**23 953**	**23 825**

Inventories are primarily comprised of set top boxes used to receive programming distributed via digital channels. The amount recognized in relation to write-downs of inventory to net realizable value is immaterial for 2011 and 2010.

17 TRADE RECEIVABLES AND OTHER RECEIVABLES

(in thousands of euros)	December 31, 2011	December 31, 2010
Trade receivables	189 127	146 825
Valuation allowance	(14 237)	(18 632)
Trade receivables, net	**174 890**	**128 194**
Advances and down payments	1 908	3 152
Current accounts receivable	48	2 076
Tax and social security receivables	91 003	97 816
Prepaid expenses	1 633	2 088
Other current receivables	4 792	3 512
Trade receivables and other receivables, net	**274 274**	**236 838**

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortized cost. Due to their short-term maturity, fair value and amortized cost approximates the nominal amount of trade receivables.

The average credit period for residential customers is 5 days. No interest is charged on trade receivables on the outstanding balance. As at December 31, 2011, the Group has recognized an allowance for doubtful debts of 83% against all receivables over 90 days because historical experience has been that receivables that are past due beyond 90 days are recoverable on the basis of a rate of 17%. Allowances for doubtful debts are recognized against trade receivables between 0 days and 90 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Trade receivables consist of a large number of customers, spread across diverse geographical areas.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognized an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Ageing of past due receivables

(in thousands of euros)	December 31, 2011	December 31, 2010
Not due	94,469	38,627
0-90 days	13,852	29,527
90-180 days	6,212	9,869
>180 days	74,594	68,802
Total	**189 127**	**146,825**

The concentration of credit risk is limited due to the customer base being large and unrelated. There is no customer which represents more than 5% of the total balance of trade receivables.

Change in valuation allowance for trade receivables is as follows:

(in thousands of euros)	December 31, 2011	December 31, 2010
Balance as of the beginning of the year	**(18 632)**	**(23 331)**
Additional allowance	—	(1 971)
Bad debt expense	4 395	3 746
Reversal of valuation allowance	—	—
Receivables classified as held for sale	—	2 924
Reclassification	—	—
Balance as of the end of the year	**(14 237)**	**(18 632)**

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the consolidated statements of cash flows includes cash at hand, cash funds and short-term deposits. Reconciliation between cash and cash equivalents presented in the consolidated statements of cash flows and the line item "Cash and cash equivalents" in the consolidated statements of financial position is presented below:

(in thousands of euros)	December 31, 2011	December 31, 2010
Cash at hand	13 485	14 713
Cash equivalents	—	—
Cash and cash equivalents presented in the consolidated statements of financial position	**34 485**	**14 713**
Cash from discontinued operations	—	3 655
Bank overdrafts classified as financial liabilities in the consolidated statements of financial position	—	—
Cash and cash equivalents presented in the consolidated statements of cash flows	**34 485**	**18 368**

As at December 31, 2011 and 2010, no cash equivalents were held.

19 SHAREHOLDERS' EQUITY

19.1 Share capital

As of December 31, 2011, share capital of Ypso France SAS is comprised of 1,296,356 shares with a par value of €10, which have been authorized and issued. The changes in share capital are presented below:

Number of shares	**2011**	**2010**
As of the beginning of the year	1 296 356	1 296 356
Increase in share capital	—	—
Repurchase and redemption of treasury shares	—	—
As of the end of the year	1 296 356	1 296 356
Par value	*10 €*	*10 €*

The Group does not hold treasury shares as of December 31, 2011 and 2010.

19.2 Dividends

During the year ended December 31, 2011 and 2010, the Group did not distribute dividends to its shareholders. The Group does not expect to distribute dividends in 2012.

19.3 IFPEC (Interest Free Preferred Equity Certificates)

In 2005, the Group, through its subsidiary Coditel Luxembourg, issued to Ypso Luxembourg, the parent company of the Group, Interest Free Preferred Equity Certificates (IFPEC) with an individual nominal value of €25 and an aggregate nominal value of €12,606,000.

The Group classified the instrument on initial recognition as an equity instrument in accordance with IAS 32 as the Group had no contractual obligation to deliver cash.

The IFPECS have been repaid by Coditel Luxembourg on June 30, 2011 just prior to the disposal by the Group of Coditel Luxembourg and Coditel Belgium.

19.4 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance, including early repayment of debt. The Group's overall strategy remains unchanged from 2010 to 2011.

The capital structure of the Group consists of net debt (financial liabilities as detailed in Note 20 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed above and in the consolidated statements of changes in shareholders' equity).

The Group is not subject to any externally imposed capital requirements.

The gearing ratio at the end of the reporting period is as follows:

(in thousands of euros)	**December 31, 2011**	**December 31, 2010**
Debt[(i)]	2 626 887	2 866 236
Cash and bank balances	(34 485)	(14 713)
Net debt	2 592 402	2 851 524
Equity[(ii)]	(532 119)	(702 679)
Net debt to equity ratio	(4.87)	(4.06)

(i) Debt is defined as long- and short-term borrowings (excluding interest-rate derivatives), as described in Note 20.

(ii) Equity includes all capital and reserves of the Group that are managed as capital such as the IFPEC.

20 Financial liabilities

Total financial liabilities is broken down as follows:

(in thousands of euros)	Note	Current		Non-current	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Financial liabilities under the Senior Facility Agreement	20.1	150 488	155 091	2 212 042	2 445 904
Perpetual subordinated notes	20.2	—	—	32 880	30 710
Financial liabilities under finance leases	26.2	11 864	5 779	3 692	9 878
Other financial liabilities	20.5	797	777	172 229	145 805
Total loans and financial liabilities		163 149	161 647	2 420 843	2 632 297
Interest-rate derivatives	20.4	—	21 580	—	—
Deposits received from customers	20.3	—	—	42 895	50 712
Bank overdrafts		—	—	—	—
Total financial liabilities		163 149	183 227	2 463 738	2 683 009

20.1 Financial liabilities under the Senior Facility Agreement

The Group entered into a Senior Facility Agreement dated June 6, 2006, subsequently amended and restated on July 18, 2006 and March 2, 2007, amended on June 24 2008, amended and restated on December 9 2009, with BNP Paribas, CALYON, Lehman Brothers Bankhaus AG, London Branch and Morgan Stanley Bank International Limited, as the Mandated Lead Arrangers, BNP Paribas as Agent and Security Agent and others lenders (the "Senior Facility Agreement" or the "SFA"). In addition, certain subsidiaries of the Group are guarantors under the SFA, each guaranteeing, subject to certain limitations, the obligations of each other borrowers and guarantors under the SFA. The initial amount available under the SFA was €3,225 million, including the portion of debt bear by Coditel Belgium and Coditel Luxembourg for €225.6 million.

The outstanding balance on this loan amounts to €2,362 million as at December 31, 2011.

There are financial covenants attached to the SFA, which may affect the interest rates to be paid by the Group as well as the applicable margins on the SFA (see details below).

Structure of the SFA

The Senior Facility Agreement provides for facilities of €3,225 million, comprising the following:

- an A facility in a maximum aggregate principal amount of €685 million (the "A Facility"), itself composed of:
    - an A (recap) facility in a maximum principal amount of €400 million (the "A (Recap) Facility"), itself composed of:
        - a term loan facility in a maximum principal amount of €385.4 million (the "A (Recap) 1 Facility"), and
        - a term loan facility in a maximum principal amount of €14.6 million (the "A (Recap) 2 Facility");

- an A (Acq) facility in a maximum principal amount of €285 million (the "A (Acq) Facility"), itself composed of:
    - a term loan facility in a maximum principal amount of €230.5 million (the "A (Acq) 1 Facility"), and
    - a term loan facility in a maximum principal amount of €54.5 million (the "A (Acq) 2 Facility");

- a B facility in a maximum aggregate principal amount of €1,565 million (the "B Facility"), itself composed of:
    - a B (recap) facility in a maximum principal amount of €815 million (the "B (Recap) Facility"), itself composed of:
        - a term loan facility in a maximum principal amount of €738.5 million (the "B (Recap) 1 Facility"), and
        - a term loan facility in a maximum principal amount of €76.5 million (the "B (Recap) 2 Facility");
    - a B (Acq) facility in a maximum principal amount of €750 million (the "B (Acq) Facility"), itself composed of:
        - a term loan facility in a maximum principal amount of €285 million (the "B (Acq) 1 Facility"), and
        - a term loan facility in a maximum principal amount of €465 million (the "B (Acq) 2 Facility");

- a term loan facility in a maximum principal amount of €175 million (the "Capital Investment Facility");

- a C facility in a maximum aggregate principal amount of €800 million (the "C Facility"), itself composed of:
    - a term loan facility in a maximum principal amount of €522,050 million (the "C (Recap) Facility"),
    - a term loan facility in a maximum principal amount of €277,950 million (the "C (Acq) Facility"), and

Purpose of the SFA

Borrowings under the Term Facilities were intended for the following purposes:

- The A (Recap) Facility, the B (Recap) Facility and the Second Lien (Recap) Facility were intended to finance, in whole or in part, existing debt owed to the Parent, the purchase of the minority interests in Est Vidéocommunications SAS, the repayment of financial indebtedness outstanding on June 6, 2006 in an amount of €1,159.4 million and the payment of certain fees and expenses.

- The A (Acq) Facility, the B (Acq) 1 Facility, the B (Acq) 2 Facility and the Second Lien (Acq) Facility, representing an aggregate amount of €1,250 million, were intended to finance, in whole or in part, the acquisition of Noos SA, including the refinancing of its financial indebtedness (and that of its subsidiaries) existing on the acquisition date (July 18, 2006), the recapitalization of a subsidiary of Ypso France SAS and certain fees and expenses.

- The Capital Investment Facility is intended to finance or refinance capital expenditures, restructuring costs, acquisitions permitted under the Senior Facility Agreement, together with related costs and expenses and working capital requirements.

- The C (Recap) Facility and the C (Acq) Facility were intended to finance the repayment of the Second Lien Facility, and certain fees and expenses.

On June 30, 2008, the Group issued the last tranche available under the SFA being the "Capital Investment Facility" for an amount of €24.25 million thus bringing the total for the Capital Investment Facility tranche to €175 million.

Interest and Fees

The Term Facilities bear interest at rates per annum equal to EURIBOR plus the following applicable margins, depending on the ratio of consolidated total net borrowings to annualized EBITDA (annualized EBITDA is calculated by adding the EBITDA for the last two quarters and multiplying the result by two):

Ratio of Consolidated Total Net Borrowings to Annualized EBITDA	A Facility Margin Capital Investment Facility Margin	B Facility Margin	C Facility Margin
Greater than 6.5:1	2.375%	2.750%	3.000%
Less than or equal to 6.5:1 but greater than 6.0:1	2.125%	2.750%	3.000%
Less than or equal to 6.0:1 but greater than 5.5:1	1.875%	2.500%	3.000%
Less than or equal to 5.5:1 but greater than 5.0:1	1.625%	2.250%	3.000%
Less than or equal to 5.0:1 but greater than 4.5:1	1.375%	2.250%	2.750%
Less than or equal to 4.5:1	1.250%	2.250%	2.750%

Upon the occurrence of an event of default under the Senior Facility Agreement, the Capital Investment Facility margin and the A Facility margin shall revert to 2.375%, the B Facility margin shall revert to 2.75% and the C Facility margin shall revert to 3.00%.

In addition to the margin above, there is a capitalized margin, payable upon maturity, of 1.25% on all tranches, if the ratio of consolidated total net borrowing to annualized EBITDA is below 4.25:1. Above 4.25:1, the capitalized margin rate is reduced to 0,75%.

The Group was originally required to pay the commitment fees on available but unused commitments under the Term Facilities, but there is no unused commitments under the Term Facilities as of December 31, 2011.

In addition, the Group was also required to pay arrangement and underwriting fees and to the Mandated Lead Arrangers and an agency fee to the Agent and the Security Agent, plus certain costs and expenses of the Mandated Lead Arrangers and of the Agent.

Guarantees and Security

The Term Facilities are guaranteed irrevocably and unconditionally on a joint and several bases by each guarantor under the Senior Facility Agreement, subject to certain legal limitations.

The Term Facilities are secured by various security interests, such as a pledge over the shares of Ypso France SAS and certain of its subsidiaries.

Covenants

The availability of the senior facility mentioned in Note 20.1 is not dependent upon the Group's credit ratings but rather is conditioned upon its compliance with a financial covenant linked to the capacity of the Group to generate sufficient cash to repay its net debt. Accordingly, the Senior Facility Agreement contains customary operating and financial covenants, subject to certain agreed exceptions, including covenants restricting the ability of the Group to, among other things:

- amalgamate, merge or consolidate with any other person or be the subject of any reconstruction or materially change the nature of the business of the Group as a whole;
- sell, transfer, lease out, lend or otherwise dispose of any of its assets or all or any part of its undertaking or agree to do so;
- enter into any material transaction otherwise than on arm's length commercial terms and for full market value;
- make acquisitions or investments;
- open or maintain any account with any bank or other financial institution providing like services other than a bank or credit institution entitled to engage in banking transactions in France, Belgium or Luxembourg;
- allot or issue any shares or securities;
- change the end of its fiscal year.

The Senior Facility Agreement also requires the Group to comply with the following financial covenants:

- a maximum ratio of consolidated total net borrowings to annualized EBITDA;
- a minimum ratio of consolidated cash flow to consolidated total debt service;
- a minimum ratio of annualized EBITDA to consolidated total net cash interest payable; and
- a maximum level of capital expenditure per fiscal year.

Compliance is tested quarterly and audited annually as of December 31st when we release our consolidated financial statements under French GAAP. Since the SFA was established, the Group has complied every year with the financial covenant that is included in the SFA.

As required under the SFA, the covenants are based on financial measures that are determined in accordance with French GAAP and not IFRS and, as a result, the definition of "Annualized EBITDA"

set forth in the SFA is different from the EBITDA as it appears in the consolidated statement of income in accordance with IFRS.

Annualized EBITDA is calculated by adding EBITDA for the last two quarters and multiplying the result by two, and thus cannot be reconciled with EBITDA disclosed in the Financial Statements elaborated under French GAAP.

Repayment

The A (Recap) Facility and the A (Acq) Facility are to be repaid in semi-annual installments in accordance with the repayment schedule set out in the Senior Facility Agreement, with the final installment payable on June 15, 2013. The B Facility is to be repaid on June 15T, 2014 and the C Facility are to be repaid on December 31, 2015. The Capital Investment Facility is to be repaid on June 15, 2013.

20.2 Perpetual subordinated notes ("TSDI")

In 2006, a amount of €23.65 million in the form of perpetual subordinated notes ("Titres Subordonnés à Durée Indéterminée" or "TSDI") has been issued by a subsidiary of the Group, NC Numéricable to a single subscriber, the GDF Suez Group (Vilorex), for a maximum €25 million (excluding capitalized interest). The proceeds of this borrowing are earmarked for financing the construction of connectors in towns in the southern part of the SIPPEREC ("Syndicat Intercommunal de la Périphérie de Paris pour l'Electricité et les Réseaux de Communication"), which is a group of cities comprising the Paris metropolitan area. The borrowing bears annual interest at 7% of the unamortized notes. The interest on the notes is capitalized. Amortization is conditional. The accrued interest on the notes amounted to €2,169 thousand and €2,026 thousand as at December 31, 2011 and 2010 respectively and have been classified as non-current in the table above in Note 20.

The instrument includes a contractual obligation to deliver cash (including interest) when cash inflows arising from revenues allow the Group to reimburse the financing borrowing according to the terms of the contract. Pursuant to this contract, the payment of interest and the reimbursement of the debt in contingent to the level of cash inflows generated but the Group does not have an unconditional right to avoid delivering cash. As a consequence, the instrument is recognized as a financial liability at amortized cost according to IAS 32.

20.3 Deposits received from customers

Deposits received from customers amount to €42,896 thousand and €50,712 thousand as at December 31, 2011 and 2010 respectively. These deposits are made when customers receive equipment from the company. They are reimbursed when customers terminate their subscriptions, on condition that the customers have paid any outstanding invoices and have returned the equipment. For each year end, the guarantee deposits were recorded as items due within more than one year.

20.4 Interest-rate derivative financial instruments

As of December 31, 2010, the variable-interest rate financial liability under the SFA was partially hedged using interest rate swaps (variable rate against fixed rate). According to the SFA, the Group had to cover at least ⅔ of the outstanding amount of the Tranches A, B and C until June 30, 2011. As of June 30, 2011, the two last swap agreements expired and were not renewed by the Group.

20.5 Other financial liabilities

As of December 31, 2011, other financial liabilities are mainly related to:

- The debt owed by Coditel Debt to Ypso Holding, the parent company of the Group ultimately held by our shareholders for €122,281 thousand.
- The debt owed to Ypso Holding for €47,559 thousand as a as a result of several shareholder loans granted by the parent company;
- The debt owed by Numericable to several banks (mainly *Caisse d'Epargne d'Alsace-Lorrraine*), for €3,086 thousand;

21 PROVISIONS AND CONTINGENT LIABILITIES

The nature and change in provisions for the year ended December 31, 2011 and 2010 are as follows:

(in thousands of euros)	January 1, 2011	Increase	Utilization	Reversal	Reclass.	December 31, 2011
Provisions for retirement benefits	3 936	325	—	—	—	4 261
Provisions for litigation with employees	6 564	666	—	(3 365)	(750)	3 115
Provisions for commercial litigation	51	8 654	—	(2 094)	11 912	18 523
Tax contingencies	16 116	10 309	—	—	—	26 425
Other	18 254	2 137	—	—	(11 162)	9 229
	44 920	22 091	—	(5 459)	—	61 553

(in thousands of euros)	January 1, 2010	Increase	Utilization	Reversal	Reclass.	Disposal of Coditel	December 31, 2010
Provisions for retirement benefits	9 503	702	—		—	(6 269)	3 936
Provisions for litigation with employees	6 162	2 995	(1 003)	(840)	(750)	—	6 564
Provisions for commercial litigation	2 490	51	(162)	—	(2 328)	—	51
Tax contingencies	13 045	4 851	—	(1 395)	—	(385)	16 116
Other	7 841	9 558	(1 373)		3 078	(851)	18 254
	39 041	18 157	(2 538)	(2 235)	—	(7 505)	44 920

The balance of provisions is primarily non-current as at December 31, 2011 and 2010.

We are involved in a number of legal proceedings that have arisen in the ordinary course of our business. Other than as discussed below, we do not expect the legal proceedings in which we are involved, or with which we have been threatened, to have a material adverse effect on our business or consolidated financial position. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and we can offer no assurances in this regard.

Métropole Télévision SA ("M6 Group") litigation relating to a breach of contract

Pursuant to an agreement dated January 8, 2007 between M6 and Ypso France, we are authorized to distribute the channels of the M6 group. However, the M6 Group claims that we breached this agreement by including its channels in the white label packages we provide to Auchan Telecom, Darty Telecom and Bouygues Telecom by failing to obtain M6 Group's authorization and to compensate it.

The M6 Group, which further claims that this breach was made possible by the use by Ypso of the Completel's network, thus argues that the contract was breached by us in respect of the broadcasting of its channels via both (i) the Completel network and (ii) our white label customers. It requested immediate termination of these broadcastings, with a €5,000 penalty per additional day of breach, as well as damages of a total amount of €2.8 million.

We claim in our defense that the contract was not breached, arguing that (i) the M6 Group's channels are broadcasted in a closed circuit and solely by us (and not Completel) and (ii) our white label customers are acting for us and on our behalf in compliance with the contract. The hearing in this case took place in May 2011 and is still pending.

Electricité de Strasbourg relating to unpaid invoices

Electricité de Strasbourg, a French electricity provider which manages an energy distribution network and a fiber optic network, entered into several contracts with Est Video Communication ("EVC") for the provision between 2002 and 2005 of an optical section (*tronçon optique*) and certain other physical infrastructures. Electricité de Strasbourg claims that invoices of a total amount of €1.4 million in principal and €0.1 million of late payment penalties remained unpaid and requested in a summon (*requête*) dated October 27, 2011 that the judge rule for EVC to grant a provision of €1.0 million. The case was brought before the Strasbourg Civil Court.

France Telecom-Orange litigation relating to a contract for the sharing of equipment

On March 23, 2000, EVC entered into a five-year agreement with France Telecom-Orange for the sharing of equipment on a public property. The contract was tacitly renewed on March 23, 2005 and terminated on February 28, 2007 by France Telecom-Orange. France Telecom-Orange proposed new contractual terms and conditions in respect of these sharing arrangements and failing EVC's response, invoiced EVC pursuant to these terms. In 2010, France Telecom-Orange sued EVC claiming payment of €3.3 million, increased by late fees and penalties as from August 31, 2010. EVC's argued in its defense that the termination of the sharing contract, the change of tariffs and the retroactive application of a new offer are abusive and unfair. The case is still pending before the Strasbourg Civil Court.

ACR Media litigation relating to a breach of contract

We initiated legal proceedings in 2008 before the Paris Commercial Court against ACR Media, a company which managed two of our stores and carried out certain sales promotion campaigns on our behalf, after it terminated the contract we had entered into with it and closed the two stores. We claimed €0.8 million of damages against ACR Media for abusive breach of contract, breach of non-compete obligation, unfair competition and client solicitation, and harm to our reputation. ACR Media counterclaimed €3.9 million of damages against us, arguing that the contract in question should be considered a commercial agency contract. The case is still pending before the Paris Commercial Court.

Starsight Telecast, Inc. litigation relating to alleged counterfeited set-top boxes

On May 21, 2010, Starsight Telecast, Inc. initiated proceedings against us on the grounds of a patent counterfeit with respect to certain set-top boxes we supply to our customers. Starsight Telecast, Inc. has requested that (i) the full amount of damages be appraised by a court-appointed expert, (ii) a provisional payment of €1.0 million for damages be paid by us, (iii) an injunction against the manufacture, importation, sale of the alleged counterfeited set-top boxes and a €1,000 penalty for every violation of the injunction, and (iv) the submission of all documents and information held by us on such products, including the number of clients who received them and the turnover generated by their

sale. On May 11, 2011, we requested that the developers of the alleged counterfeited set-top boxes (Nagra France, Nagravision and Open TV) be enjoined to the proceedings. The case is still pending before the Paris Civil Court.

France Telecom-Orange litigation relating to IRUs

We entered into four non-exclusive IRUs with France Telecom-Orange on May 6, 1999, May 18, 2001, July 2, 2004 and December 21, 2004, in connection with our acquisition of certain companies which operated cable networks built by France Telecom-Orange. These cable networks, accessible only through the civil engineering installations of France Telecom-Orange (mainly its ducts), are made available to us by France Telecom-Orange through these non-exclusive IRUs over such civil engineering installations. These IRUs each cover a different geographical area and were each entered into for a term of 20 years.

The ARCEP's decision 2008-0835 of July 24, 2008 required that France Telecom-Orange make a commercial offer to telecommunication operators pursuant to which such operators can to roll-out their own fiber networks in France Telecom-Orange's ducts. The terms of this mandatory commercial offer are more restrictive than the terms we benefit from under the France Telecom-Orange IRUs we are party to. As a result, France Telecom-Orange requested that the terms of our IRUs be modified so that the operational procedures set forth in these IRUs be aligned with those now observed by other telecommunication operators, especially with regards to the access to France Telecom-Orange's ducts for the purpose of maintaining and upgrading our network.

This issue was litigated and both the ARCEP and the Paris Court of Appeal ruled in favor of France Telecom-Orange on November 4, 2010 and June 23, 2011, respectively. We initiated in parallel proceedings against France Telecom-Orange before the Commercial Court of Paris on October 7, 2010 and before the International Court of Arbitration of the International Chamber of Commerce on October 21, 2010, the outcome of which are still pending, claiming €3.2 billion in damages for the modification of these IRUs.

In December 2011, the ARCEP imposed a fine of €5 million on the Group for its failure to comply with its dispute settlement decision of 4 November 2010. The ARCEP claimed that up until the end of November 2011, the Group had refused to comply with its decision, even though it had a compliance deadline of two months. The Group contests this decision but recorded a € 5 million provision in its Consolidated Financial Statements as of December 31, 2011 (under the caption "Current provisions").

Free and France Telecom-Orange litigations relating to an advertising campaign

Two separate claims were filed against Numericable SAS and NC Numéricable before the Commercial Court of Paris by telecommunications operators Free and France Telecom-Orange on August 3, 2011 and July 18, 2011, respectively, in relation to our spring 2011 advertising campaign entitled "The mobile revolution".

Free, who used the term "revolution" to refer to its forthcoming launch of mobile phone services and whose latest offering was named the "Freebox Revolution", argues that our campaign led to customer confusion and damaged its brand and image. Free claims damages in an amount of €10.0 million. The case is currently pending before the Paris commercial court. At a hearing before the Paris Commercial Court in October 2011, the marketing and unfair competition organization (Association Droit du Marketing et Concurrence Déloyale) voluntarily intervened in support of our case to maintain that "revolution" is a commonly used term for marketing purposes and that our campaign does not constitute a fault under unfair competition law.

France Telecom-Orange claims damages in an amount of €5.0 million arguing that our campaign was misleading and constituted unfair competition. We responded to this claim by asserting that our marketing campaign which did not refer to France Telecom-Orange, did not negatively impact it. The case is still pending before the Paris Commercial Court.

At the last hearing before the Paris Commercial Court in October 2011, an organization, *Association Droit du Marketing et Concurrence Déloyale* (Marketing regulations and unfair competition organization), voluntarily intervened in the case to support our position. According to the *Association,* the use of the word "revolution", a very common term, does not constitute a fault under unfair competition law.

SFR litigation relating to an FFTH agreement

In 2008 and 2009, the Group entered into several contracts with SFR concerning the deployment of FFTH networks in the areas of Paris and Marseille. SFR claims damages arguing that the Group has not been able to deliver the service ordered on time for technical reasons.

On January 5th 2012, the Group and SFR came to an agreement. The Group agreed to pay damages to SFR in an amount of €1.9 million. The Group thus recorded a €1.9 million provision in its Consolidated Financial Statements as of December 31, 2011.

22 EMPLOYEE BENEFITS

In France, Group employees benefit from a retirement indemnity plan. Accordingly, the Group participates in mandatory social security plans organized at the state level, for which contributions expensed correspond to the contributions due to the French state. The plan is considered to be a defined contribution plan as defined in IAS 19 Employee Benefits. Group employees are covered by the Telecom Industry Branch Social Agreement ("Convention Collective Nationale des Télécommunications", which determines the amount of retirement indemnity to be paid to the employee upon retirement).

The rights to conventional retirement benefits vested by employees were evaluated individually, based on various parameters and assumptions such as the employee's age, position, length of service in the Group and salary, according to the terms of their employment agreement.

22.1 Assumptions used for defined benefit plans

(in thousands of euros)	December 31, 2011	December 31, 2010
Discount rate	4.75%	4.75%
Expected salary increase rate	3.0%	3.0%
Inflation rate	2.0%	2.0%
Turnover—managers	7.0%	7.0%
Turnover—other employees	15.0%	15.0%

The turnover rate can vary significantly depending on length of service.

22.2 Components of Net Periodic Benefit (Cost)

(in thousands of euros)	December 31, 2011	December 31, 2010
Service cost	378	324
Interest cost	186	161
Expected return on plan assets	—	—
Recognition of actuarial net (gain) loss	(239)	217
Past service cost	—	—
Curtailments/Settlements	—	—
Net periodic (benefit) cost	**325**	**702**
Experience loss (gain) on plan liabilities	(239)	71
Percentage of present value of plan liabilities	(5.6)%	2%

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit and loss when they are incurred.

Impact of discounting provisions for retirement benefits is recognized in operating income in "Staff costs and employee benefits expense" with the related charges.

For 2012, the amount of the expected net periodic benefit cost is approximately €564 thousand.

22.3 Change in defined benefit obligation

(in thousands of euros)	December 31, 2011	December 31, 2010
Defined benefit obligation—beginning of year	**3,936**	**3,234**
Service cost	378	324
Interest cost	186	161
Contributions paid	—	—
Amortization of actuarial net gain (loss)	(239)	217
Benefits paid	—	—
Past service cost	—	—
Amounts recognized due to plan combinations	—	—
Curtailments/Settlements	—	—
Defined benefit obligation—end of year	**4,261**	**3,936**

23 TRADE PAYABLES AND OTHER PAYABLES

(in thousands of euros)	December 31, 2011	December 31, 2010
Trade payables—general	331 418	320 896
Trade payables—acquisition of assets	40 458	19 720
Advances and down payments received	5 839	17 183
Current accounts payables	13 063	4 056
Liabilities related to tax and duties	54 255	46 566
Corporate and social security contributions	20 803	20 299
Deferred revenue	14 250	9 372
Other payables	4 314	913
Trade payables and other payables	**484 400**	**439 005**

Deferred revenue is mainly related to cash received in relation to unrecognized network lease revenue from customer contracts, which is generally recognized ratably over the duration of the lease contract.

24 FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Notes 3.16 and 3.21.

24.1 Financial assets

	December 31, 2011				
			Financial assets at fair value through profit and loss		
(in thousands of euros)	Available-for-sale	Loans and receivables	Designated at fair value through profit and loss	Held for trading	Total Assets
Non-current financial assets	52	4 718	—	313	5 083
Trade receivables and other receivables	—	274 274	—	—	274 274
Interest-rate derivatives	—	—	—	—	—
Cash and cash equivalents	—	34 485	—	—	34 485
Financial assets	**52**	**313 477**	**—**	**313**	**313 842**

	December 31, 2010				
			Financial assets at fair value through profit and loss		
(in thousands of euros)	Available-for-sale	Loans and receivables	Designated at fair value through profit and loss	Held for trading	Total Assets
Non-current financial assets	71	2 506	—	2 380	4 957
Trade receivables and other receivables	—	236 838	—	—	236 838
Interest-rate derivatives	—	—	—	—	—
Cash and cash equivalents	—	14 713	—	—	14 713
Financial assets	**71**	**254 057**	**—**	**2 380**	**256 508**

24.2 Financial liabilities

Except for interest-rate derivatives, financial liabilities are measured at amortized cost, whi ch is the amount at which the financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

Interest-rate derivatives held for trading are measured at fair value through profit and loss.

24.3 Financial risk management objectives

Objective of the Corporate Treasury function

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (primarily interest rate risk since the Group's activities does not expose it to risks of changes in foreign currency exchange rates), credit risk and liquidity risk. The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports monthly to the Group's chief operating decision maker, which monitors risks and policies implemented to mitigate risk exposures.

Interest rate risk management

The Group is exposed to interest rate risk because the Group borrows funds, mostly at floating interest rates. The risk is managed by the Group through the use of interest rate swap contracts and caps interest rate contracts. Even though the Group cannot avail itself for hedge accounting under IAS 39 for lack of documentation, hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied, in compliance with the requirements of the SFA.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's net income (loss) for the year ended December 31, 2011 would decrease/increase by €9 million (2010: decrease/increase by €5.5 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

Financial instruments that could potentially subject the Group to concentrations of counterparty risk consist primarily of trade receivables, cash and cash equivalents, investments and derivative financial instruments. Overall, the carrying amount of financial assets recognized in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

As mentioned in Note 17, the Group considers that it has an extremely limited exposure to concentrations of credit risk with respect to trade accounts receivable due to its large and diverse customer base (residential and public institutions) operating in numerous industries and located across France. In addition, the maximum value of the counterparty risk on these financial assets is equal to their recognized net book value. An analysis of credit risk on net trade receivables past due is provided in Note 17.

The Group's policy is to invest its cash, cash equivalents and marketable securities with financial institutions and industrial groups with a long-term rating of A-/A3 or above. The Group's enters into interest rate contracts with leading financial institutions and currently believes that the risk of these counterparties defaulting is extremely low, since their credit ratings are monitored and financial exposure to any one financial institution is limited.

However, in September 2008, Lehman Brothers filed for bankruptcy. Part of the Group's financial liabilities was hedged by interest rate swaps entered into with Lehman Brothers. As a result of the bankruptcy, Lehman Brothers defaulted on the swaps. Consequently, the swap with Lehman Brothers was terminated and the Group entered into a new interest-rate swap contract in order to meet the minimum hedge requirements set forth in the SFA, and negotiated new fixed to 1-month Euribor interest rate swap with BNP Paribas, Calyon and HSBC for an initial nominal amount of €750 million. There is currently a claim with Lehman Brothers, which represent a contingent gain of €15 million for the Company, not recognized as at December 31, 2011.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted

cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	December 31, 2011			
(in thousands of euros)	Less than 1 year	1-5 years	5+ years	Total
Financial liabilities under the Senior Facility Agreement	150 488	2 212 042	—	2 362 530
Perpetual subordinated notes	—	—	32 880	32 880
Financial liabilities under finance leases	11 864	2 761	931	15 556
Other financial liabilities	797	171 801	428	173 024
Total bonds and loans	**163 149**	**2 386 604**	**34 239**	**2 583 992**
Interest-rate derivatives	—	—	—	—
Deposits received from customers	—	42 895	—	42 895
Bank overdrafts	—	—	—	—
Total financial liabilities	**163 149**	**2 429 500**	**34 239**	**2 626 887**

	December 31, 2010			
(in thousands of euros)	Less than 1 year	1-5 years	5+ years	Total
Financial liabilities under the Senior Facility Agreement	155 090	2 445 904	—	2 600 994
Perpetual subordinated notes	—	—	30 710	30 710
Financial liabilities under finance leases	5 779	8 652	1 226	15 657
Other financial liabilities	777	2 363	143 442	146 582
Total bonds and loans	**161 646**	**2 456 919**	**175 378**	**2 793 943**
Interest-rate derivatives	21 581	—	—	21 580
Deposits received from customers	—	50 712	—	50 712
Bank overdrafts	—	—	—	—
Total financial liabilities	**183 227**	**2 507 631**	**175 378**	**2 866 235**

The Group considers that its available cash and cash equivalent balances and the expected operating cash flows to be generated are sufficient to cover its operating expenses, capital expenditures and its financial debt requirements for the next twelve months.

24.4 Fair value of financial instruments

Valuation techniques and assumptions applied for the purposes of measuring fair value for derivative instruments

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

In accordance with the amendments to IFRS 7, the Group classifies its financial instruments measured at fair value into three levels (the fair value hierarchy), Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 fair value measurements have been used for interest-rate derivatives. There are no significant financial instruments for which level 1 or level 3 measurements have been used and no transfer of financial instruments between levels have occurred.

Fair value measurement other financial assets

Due to their short-term nature, the fair value of cash and cash equivalents, trade receivables and other current receivables and trade payables and other payables, approximates the net carrying amount.

Investments in non-consolidated entities are unquoted equity securities. As a result, their fair value cannot be measured reliably and accordingly, these investments are measured at cost.

Financial guarantees and collaterals

Under the SFA, the assets of the Group have been given as a collateral to the bank lenders.

25 RELATED PARTY TRANSACTIONS

The parent company of Ypso France SAS (hereinafter "the Company", being the legal entity Ypso France SAS) is Ypso Holding S.à.r.l. and the ultimate shareholders of the Group are a group of investment and private equity firms, Altice, Cinven and Carlyle.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Altice B2B France SAS and its wholly-owned subsidiary Completel SAS are controlled by the same group of shareholders and therefore are considered entities under common control for the purposes of related party disclosures.

25.1 Trading and financing transactions

During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods and rendering of services		Purchase of goods and services		Amounts owed by related parties		Amounts owed to related parties	
(in thousands of euros)	2011	2010	2011	2010	2011	2010	2011	2010
Parent company								
Ypso Holding[1]	—	—	—	—	—	—	169 840	162 892
Shareholders[2]								
Cinven	—	—	522	516	—	—	155	628
Altice	—	—	475	3 159	—	—	—	—
Carlyle	—	—	500	500	—	—	—	875

	Sale of goods and rendering of services		Purchase of goods and services		Amounts owed by related parties		Amounts owed to related parties	
(in thousands of euros)	2011	2010	2011	2010	2011	2010	2011	2010
Entities under common control								
Altice B2B SAS	—	—	—	—	—	—	—	—
Completel SAS	68 500	28 818	43 822	34 200	81 770	34 829	23 490	22 761
Associate								
Alsace Connexia Participation SAS	—	—	—	—	2 574	2 518	—	—

Management fees have been paid to our shareholders (Cinven, Altice and Carlyle) in relation to certain management, financing and advisory services provided (€1,497 thousand in 2011 compared to €4,175 thousands in 2010).

Our shareholders also provided us with several subordinated shareholder financings.

As at December 31st, 2011, the Group owes a total amount of €169.8 million to Ypso Holding, its parent company, ultimately owned by our shareholders. This amount mainly includes :

- The "Coditel notes" issued in December 2009 following the restructuration of a portion of the Group debt in 2009. Coditel Notes amounted to €122.3 million as at December 31, 2011;
- The debt owed to Ypso Holding for €47.6 million as a result of several shareholder loans granted by our parent company;

25.2 Related party relationships

(1) Relationships with our Shareholders

Relationships with Altice

On June 30, 2011, we completed the sale of Coditel Belgium and Coditel Luxembourg to a consortium of investors, including Altice, for a purchase price of €369.2 million.

On March 12, 2008, we entered into a service agreement (the "Altice Service Agreement") with Altice Services LLP ("Altice Services"), an affiliate of Altice, under which Altice Services undertook to provide us with consulting services with respect to technology, equipment purchasing, marketing, client management, information technology, financing, reporting, regulation and management. In consideration for these services, we undertook to pay Altice a fee based on the increase of our EBITDA and operating cash flow from year to year. We agreed with Altice Services to terminate this agreement with effect as of December 31, 2009.

Altice owns cable networks in the French West Indies (*Antilles*). We pay telephony termination fees to such networks for the calls originating from our subscribers to subscribers of such networks, and receive telephony termination fees from such networks for the calls originating from their subscribers to our subscribers.

Relationships with Carlyle

Sagemcom, one of our key suppliers of set-top boxes, was acquired by funds managed by Carlyle on August 17, 2011.

(2) Relationships with Completel

In September 2007, our shareholders, Altice and Cinven, acquired Completel, a voice and data service provider to corporate clients and a wholesale and DSL White Label provider to other telecommunication operators, which enabled us to gain access to Completel's DSL network and metropolitan fiber networks.

Completel also owns a substantial part of the network we use to provide our services, including our network's backbone.

Completel and our Group provide several other services to each other. The main contractual relationships between Completel and our Group are summarized below.

Framework Services Agreement

On January 28, 2009, Ypso France, Numericable SAS, NC Numericable SAS and Est Videocommunication SAS entered into a framework service agreement (the "Framework Service Agreement") with Completel and its controlling shareholder, Altice B2B SAS. The purpose of the Framework Service Agreement is to formalize certain relationships and transactions between the Completel Group and the Numericable Group, including with respect to (i) the lease of certain buildings and office space, (ii) legal, finance and accounting services, (iii) human resources management, (iv) sourcing (including joint orders of supplies and services). Services provided under the Framework Services Agreement are charged at cost, plus a margin.

The Framework Services Agreement was entered into for an initial term of one year, starting retroactively on January 1, 2008, and is automatically renewed for additional one-year terms, subject to the right of each party thereto to terminate it with a one-month notice.

Telephony Traffic Agreement

Numericable SAS, NC Numericable SAS and Est Videocommunication SAS entered into a telephony traffic agreement (the "Telephony Traffic Agreement") with Completel, pursuant to which Completel agreed to carry our telephony traffic to the customers of national and international networks accessible through Completel's network.

The Telephony Traffic Agreement was entered for an initial terms of five years, starting retroactively on January 1, 2010, and will be renewed for an indefinite term, subject to the right of each party thereto to terminate it with a six-month notice. It will also terminate automatically in case of change of control (as defined in the Telephony Traffic Agreement) of any party thereto.

For the initial term of the Telephony Traffic Agreement, we agreed to exclusively use Completel for the purpose of carrying our telephony traffic, with the exception of "On Net" traffic to Numericable customers (that we carry ourselves), traffic to Numericable-branded mobile phones (that is carried by Bouygues Telecom pursuant to our MVNO Agreement), and traffic to "special" numbers. Fees are based on the connection fees actually charged by other operators to Completel for the connection of calls originating from our clients to their respective networks, plus a margin.

Local Loop Access Agreement

Numericable SAS, NC Numericable SAS and Est Videocommunication SAS entered into a service agreement (the "Local Loop Access Agreement") with Completel, pursuant to which we agreed to give Completel access to our local loop fiber network, to connect Completel's professional customers to our network through dedicated fibers, and to provide maintenance services for the fibers made available to Completel.

The Local Loop Access Agreement was entered for a non-renewable term of 25 years, starting retroactively on January 1, 2010. It will also terminate automatically in case of change of control (as defined in the Local Loop Access Agreement) of any party thereto.

We charge Completel a one-time fixed fee for the connection of each of its professional customers to our local loop fiber network, and an annual fixed fee per customers for the maintenance of the fibers made available to Completel.

White Label Invoicing Agreement

Numericable SAS and NC Numericable SAS entered into an agreement (the "White Label Invoicing Agreement") with Completel, pursuant to which Completel agreed to invoice our White Label customers on our behalf. Under each of our three White Label agreements, Completel sends invoices including (i) a fee per subscriber, which depends on the type of package subscribed, (ii) the telephony charges and (iii) VOD charges on a monthly basis to the relevant White Label provider. By way of exception, digital television services provided to Darty customers are invoiced by Darty on behalf of Numericable, and paid directly by Darty to Numericable. In addition, Numericable directly invoices Darty for the delivery of set-top boxes.

The White Label Invoicing Agreement was entered for an initial term of one year, starting retroactively on January 1, 2010, and is automatically renewed for additional one-year terms, subject to the right of each party thereto to terminate it with a notice. It will also terminate automatically in case of change of control (within the meaning of Article L.233-3 of the French Commercial Code) of any party thereto.

(3) Relationships with Coditel

As part of the sale of Coditel Belgium and Coditel Luxembourg in June 2011, we entered into a services agreement and a trademark license agreement with Coditel Holding S.A. to ensure the continuity of its operations

Services Agreement

On June 30, 2011, Numericable SAS entered into a services agreement (the "Coditel Services Agreement") with Coditel. Pursuant to the Coditel Services Agreement, we will continue to provide Coditel with all the services we were providing to it prior to its sale, including:

- VOD platform services and VOD content services;
- television, IP and voice engineering services;
- support and assistance in purchasing hardware and devices needed for its operations, in particular set-top boxes and software, modems, routers and mobile handsets, and also television and VOD content;
- delivery of television channels signals and existing data flows over our backbone;
- upgrade of Coditel's billing software; and
- continued support of Coditel's systems currently located in our premises or currently supported from our systems.

In consideration of the services provided, Coditel agreed to pay to us a total of €100,000 per year. In addition, Coditel will pay to us 10% of its monthly VOD revenues.

Trade Mark License Agreement

On June 30, 2011, Coditel and Numericable also entered into a trademark license agreement (the "Trade Mark Agreement"). Pursuant to the Trade Mark Agreement, we will provide a license to Coditel to use our trademark "Numericable", registered under Ma14502, exclusively in Belgium and Luxembourg in relation to the offering, promotion and commercialization of television, Internet and telephone products and services. The license fee is included in the €100,000 annual fee under the Services Agreement. The Trade Mark Agreement terminates automatically on June 30, 2017, upon termination of all services under the Services Agreement or upon expiry of the Services Agreement.

25.3 Compensation of key management personnel

The compensation of directors and other members of key management personnel (i.e. members of our Executive Committee) during the year was €1,475 thousand and €1,920 thousand for 2011 and 2010 respectively. This amount only comprises short-term benefits such as wages, salaries and bonuses.

The Group does not have any share-based arrangement and employment benefits related to key management personnel are insignificant in aggregate (less than €50 thousand).

26 LEASES ARRANGEMENTS

26.1 The Group as a lessor

Finance leases

The Group has not contracted finance leases as a lessor.

Operating leases

Operating leases relate to the investment property owned by the Group and leased to other companies in the telecommunications industry including Completel SAS, an entity under common control, with lease terms of between 15 to 30 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to €85.8 million and €40.9 million for 2011 and 2010 respectively.

Future minimum rental income under non-cancellable operating leases:

	Future minimum rental income	
(in thousands of euros)	**December 31, 2011**	**December 31, 2010**
Not later than 1 year	13 933	7 120
Later than 1 year and not later than 5 years	22 876	22 871
Later than 5 years	50 599	48 382
	90 807	**78 432**

26.2 The Group as a lessee

Finance leases

In October 2008, Numericable entered into a sale-and-leaseback transaction for modem and decoder equipment with Lease plan for €20 million. This sale-and-leaseback transaction resulted in a finance lease, and the excess of sales proceeds over the carrying amount, for an amount of €1.9 million has been deferred and amortized over the lease term, that is, 4 years.

In addition, the Group entered into various finance leases related to property, for which the lease term is generally between 20 and 30 years, and office equipment, for which the lease term is 4 years.

The most significant finance lease arrangements are the leaseback for modem and decoder equipment referred to above and the property lease for the headquarters offices of the Group in Champs-sur-Marne for which the Group has an option to purchase the property at the end of the lease term at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable.

All leases are denominated in euros. Certain property lease arrangements specify that at the beginning of the lease the annual payments will be set at a fixed amount, but in future years will be increased by a rate of inflation (i.e. a percentage increase).

	Minimum lease payments		Present value of minimum lease payments	
(in thousands of euros)	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Not later than 1 year	12 184	6 673	11 878	6 047
Later than 1 year and not later than 5 years	2 189	8 625	2 022	7 823
Later than 5 years	—	174	—	137
	14 373	**15 472**	**13 899**	**14 007**
Less future finance charges	(474)	(1 451)	—	—
Present value of minimum lease payments	13 899	14 007	13 899	14 007
Financial liabilities related to finance leases—current portion			11 878	6 047
Financial liabilities related to finance leases—non-current portion			2 189	7 950

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate contracted is approximately 2.58% and 4.08% per annum for 2011 and 2010 respectively.

The fair value of financial liabilities related to finance leases approximates the carrying amount.

Operating leases

The Group also has property and vehicle lease commitments under operating leases. The lease term for property under operating leases is generally 3, 6 or 9 years, a standard lease term for commercial real estate in France. The lease term for vehicle under operating lease is 3 years.

As part of the networks business, leases involving equipment and networks IRU (usage rights on local loop, backbone) or other contracts with a rental (rights of way) were considered no materiality.

In connection with its entertainment business activities, the Group has also entered into operating leases and agreements to purchase TV programs.

Non-cancellable operating lease commitments amount to:

(in thousands of euros)	December 31, 2011	December 31, 2010
Not later than 1 year	3 382	4 156
Later than 1 year and not later than 5 years	5 362	6 285
Later than 5 years	741	1 533
	9 484	**11 973**

27 NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

This section provides details of the contents of the items relating to the activities of the Group in Belgium and Luxembourg classified as discontinued operations as reported in the Consolidated Statement of Income, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows.

As explained in Note 1, discontinued operations correspond to the Coditel subsidiaries in Belgium and Luxembourg.

Details of income statement items included in Discontinued Operations are as follows:

(in thousands of euros)	**2011 6 months**	**2010 12 months**
Revenue	31 978	62 256
Operating income	16 525	42 290
Finance costs, net	(4 074)	(7 800)
Income tax expense	(1 296)	(3 252)
Net income (loss)	**11 154**	**31 237**
Proceeds from the sale of Coditel	118 486	—
Fees paid in connection with the sale of Coditel	(3 580)	—
Net income (loss) from discontinued operations	**126 060**	**31 237**

As at December 31, 2010, assets and liabilities held for sale were presented separately on the face of the balance sheet and may be analyzed as follows:

(in thousands of euros)

ASSETS	
Goodwill	210 195
Other intangible assets	1 852
Property, plant and equipment	43 142
Other non-current financial assets	71
Non-current assets	**225 260**
Inventories	539
Trade receivables and other receivables, net	11 100
Income tax receivable	—
Cash and cash equivalents	3 655
Current assets	**15 294**
TOTAL ASSETS	**270 554**
EQUITY AND LIABILITIES	
TOTAL EQUITY	**59 122**
Non-current portion of financial liabilities	156 735
Non-current provisions	2 137
Deferred tax liabilities	3 958
Other non-current liabilities	113
Non-current liabilities	**162 943**
Current portion of financial liabilities	18 765
Current provisions	—
Trade payables and other current liabilities	29 723
Current liabilities	**48 488**
TOTAL LIABILITIES	**211 432**
TOTAL EQUITY AND LIABILITIES	**270 554**

Details of cash flows from discontinued operations are as follows:

(in thousands of euros)	December 31, 2011 6 months	December 31, 2010 12 months
Net income from discontinued operations	**126 060**	**31 237**
Depreciation and amortization	3 887	4 858
Gains and losses on disposals	(118 501)	116
Other non-cash operating gains and losses	130	—
Net cash provided (used) by operating activities before changes in working capital, finance costs and income tax	**11 577**	**36 210**
Finance costs, net	4 105	7 828
Income tax paid	84	628
Changes in working capital	(15 246)	2 271
Net cash provided (used) by operating activities	**519**	**46 937**
Capital expenditures	(4 776)	(9 696)
Proceeds from disposal of tangible and intangible assets	19	147
Decrease (increase) in loans and other non-current financial assets	—	17
Cash expenditures for acquisition of consolidated and non-consolidated companies	—	—
Net cash provided (used) by investing activities	**(4 758)**	**(9 532)**
Cash received from the sale of Coditel	350 184	
Issuance of debt	1 101	2 654
Repayment of debt	(186 684)	(17 035)
Interest paid	(4 105)	(7 828)
Net cash provided (used) by financing activities	**160 497**	**(22 209)**
Net cash flow from discontinued operations	**156 258**	**15 196**

28 COMMITMENTS AND CONTRACTUAL OBLIGATIONS

28.1 Commitments given

Guarantees in relation to the Senior Facility Agreement

As part of the SFA entered into by the subsidiaries of the Group (YPSO France SAS, Coditel Brabant, Altice France Est, Coditel SARL, Est Vidéocommunications, Numericable SAS and NC Numericable SNC), the following commitments were given to the lending banks:

- Compliance with financial covenants;

- Stable tax consolidation scope;

- Compliance with conditions governing the acquisition, disposal, use and control of assets.

All the assets of the Group's subsidiaries have been pledged to the banks. In addition to this financing arrangement, the Group has been required to enter into interest-rate swap contracts when the SFA was concluded to hedge the interest rate risk on a significant part of the financing as disclosed in Note 24.3. The overall hedging structure will remain in effect until December 31, 2011 and will change as the tranches of the SFA reach maturity and are repaid.

Commitments in relation to business operations

The Group is committed to build 75,000 connectors for a total amount of €4.5 million on behalf of the city of Le Havre, France.

To operate telecommunications networks, the Group needs licenses, authorizations or usage rights to infrastructure in the public and private domain. Consequently, the Group generally pays fees to the public administration in charge of managing the infrastructure (local authorities) or to the owners. In the course of its normal business activities, the company has also entered into outsourcing contracts, particularly for certain network maintenance services.

In 2010, the Group entered into several long-term MVNO agreements for voice and data transmission with Bouygues Telecom, pursuant to which we provide mobile telephony services to residential customers under our own brand but through the nationwide network of Bouygues Telecom. The agreements relating to voice transmission services are due to expire in 2017 and those relating to data transmission services are due to expire in 2013, and each of these will be automatically renewed unless otherwise notified by either party with six months' notice prior to their respective initial expiry dates. Pursuant to the financial terms of each of these agreements, we are under obligation to pay Bouygues Telecom a flat fee corresponding to a minimum level of consumption by our end-customers of the relevant voice or data transmission services.

Lease commitments in relation to business operations

As disclosed in Note 26, the Group has entered into various lease arrangements.

Contractual obligations

(in thousands of euros)	Maturity			Total December 31,	Total December 31,
	< 1 year	**1 - 5 years**	**> 5 years**	**2011**	**2010**
Loans and financial liabilities	163 149	2 429 500	34 239	2 626 887	2 866 235
Operating leases arrangements	3 382	5 362	741	11 973	11 973
Total	**166 531**	**2 434 862**	**34 980**	**2 638 860**	**2 878 208**

28.2 Commitments received

The Group has received a commitment of a total amount of €25 million from GDF Suez to subscribe to perpetual floating rate notes, which will provide financing for the construction of the Sipperec network. The Group has already received €23.8 million in principal from GDF Suez as at December 31, 2011.

29 Scope of consolidation

The entities included in the scope of consolidation are presented below:

Company and legal form of incorporation	Registered office	Consolidation method as of December 31		Percentage of control		Percentage of interest	
		2011	2010	2011	2010	2011	2010
Ypso France SAS	10, rue Albert Einstein—77420 Champs-sur-Marne	Parent company		Parent company		100%	100%
Numericable SAS	10, rue Albert Einstein—77420 Champs-sur-Marne	Full consolidation		100%	100%	100%	100%
EST Vidéocom-munication	14 rue des Mercuriales—67450 Lampertheim	Full consolidation		100%	100%	100%	100%
NC Numéricâble SAS (ex-NOOS SA)	10, rue Albert Einstein—77420 Champs-sur-Marne	Full consolidation		100%	100%	100%	100%
ENO SPRL (Belgium)	26, Rue des deux Eglises—1000 Bruxelles	Full consolidation		100%	100%	100%	100%
ENO HOLDING (Belgium)	26, Rue des deux Eglises—1000 Bruxelles	Full consolidation		100%	—	100%	—
TME France SA	Fort de Tourneville—55, rue du 329ème—76600 Le Havre	Full consolidation		100%	100%	100%	100%
Coditel Debt (Luxembourg)	37, rue d'Anvers, L-1130 Luxembourg	Full consolidation		100%	100%	100%	100%
Ypso Finance (Luxembourg)	37, rue d'Anvers, L-1130 Luxembourg	Full consolidation		100%	—	100%	—
Sequalum Participation	5, place de la pyramide—92800 Puteaux	Full consolidation		79,22%	79,22%	79,22%	79,22%
Sequalum SAS	5, place de la pyramide—92800 Puteaux	Full consolidation		79,22%	79,22%	79,22%	79,22%
Alsace Connexia Participation SAS	40-42 Quai du point du jour—92100 Boulogne	Equity method		38,15%	38,15%	38,15%	38,15%

30 Subsequent events

Refinancing of the debt

As at February 15, 2012 the Group issued a €360 million bond which allowed the Group to repay €350 million of short term debt and to delay by two years the reimbursement of over 60 percent of its remaining bank debt.

The notes will mature on February 15, 2019 and will bear interest of 12.375%. Interest will be paid on the Notes semiannually on February 15 and August 15 of each year.

The new scheduling of the debt (excluding capitalized interest payable in fine) is as follows:

Maturity	2012	2013	2014	2015	2016	2017	2018	2019
in thousands of euros	47 098	49 912	486 904	257 140	719 392	472 620	0	360 200

YPSO France SAS

Consolidated financial statements as of December 31, 2010

Ypso France SAS
10, rue Albert Einstein 77420 Champs-sur-Marne

SPECIAL PURPOSE STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the years ended December 31, 2010, 2009 and 2008)

Ypso France SAS

10, rue Albert Einstein
77420 Champs-sur-Marne

Special Purpose Statutory Auditor's Report on the Consolidated Financial Statements

To the Chairman,

In our capacity as statutory auditor of Ypso France SAS ("the Company") and as requested by you in connection with the Offering Memorandum relating to the proposed offering of Senior Notes due 2019 by Numericable Finance & Co S.C.A., we hereby report to you, for the years ended December 31, 2010, 2009 and 2008 on the audit of the accompanying consolidated financial statements of the Company.

These consolidated financial statements have been prepared under the responsibility of the Chairman of the Company in the above mentioned context and are not intended to be submitted to the shareholders' approval. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities, and of the financial position of the Group as of December 31, 2010, 2009 and 2008 and of the results of its operations for each of the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without modifying our opinion, we draw your attention to the fact set out in Note 2.3 to the consolidated financial statements regarding management's plans supporting the assumption that the Company has been able to fund its cash needs for the year 2011 and which indicates that the consolidated financial statements have been consequently prepared on a going concern basis.

This report has been prepared solely within the context described above and is not to be used, circulated, quoted or otherwise referred to for any other purpose.

We do not owe or accept any duty of care to any third party to which this report would be circulated. This report shall be governed by, and construed in accordance with, French law. The courts of France (represented by the Cour d'Appel de Paris) shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning our engagement letter or this report and any matter arising from them. Each party irrevocably waives any right it may have to object an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

Neuilly, January 31, 2012, one of the statutory auditors

Deloitte & Associés

Albert Aidan

Christophe Saubiez

CONSOLIDATED STATEMENTS OF INCOME

(in thousands of euros)	Notes	2010	2009	2008
Revenue	5	847 420	856 809	896 344
Purchases and subcontracting services		(184 230)	(181 080)	(185 578)
Staff costs and employee benefits expense		(76 440)	(72 964)	(77 936)
Taxes and duties		(21 764)	(28 190)	(23 445)
Provisions		(16 713)	(10 675)	(22 343)
Other operating income	6	46 641	26 898	45 893
Other operating expenses	7	(189 337)	(166 930)	(192 224)
Operating income before depreciation and amortization (EBITDA)		405 577	423 868	440 712
Depreciation and amortization		(225 916)	(228 772)	(260 972)
Operating income		179 661	195 094	184 163
Financial income		528	74 144	1 190
Interest relative to gross financial debt		(150 143)	(192 354)	(275 551)
Other financial expense		(972)	(19 649)	(6 273)
Finance costs, net	8	(150 587)	(137 859)	(280 634)
Income tax expense	9	(3 839)	(7 974)	(14 539)
Share in net income (loss) of equity affiliates		368	190	154
Net income (loss) from ongoing activities		25 603	49 451	(115 278)
Net income from discontinued operations	27	31 237	15 519	5 200
Net income (loss)		56 840	64 971	(110 078)
—Attributable to equity holders of the parent		57 081	65 056	(111 290)
—Attributable to non-controlling interests		(241)	(85)	1 212

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of euros)	2010	2009	2008
Net income (loss) attributable to equity holders of the parent	57 081	65 056	(111 290)
Cumulative translation adjustments	—	—	—
Change in fair value of available-for-sale financial assets	—	—	—
Actuarial gains and losses	—	—	—
Tax on items recognized directly in equity	—	—	—
Total other comprehensive income/(loss) attributable to equity holders of the parent	57 081	65 056	(111 290)

In accordance with IAS 1 *Presentation of financial statements (2007)* (IAS 1), the Group presents a statement of comprehensive income. However, as the Group operates only in France (activities of the Group in Belgium and Luxembourg are classified as discontinued operations as at December 31, 2010), the functional and presentation currencies of all the entities within the Group is the euro. As a result, no cumulative translation adjustment has been recognized as of December 31, 2010, 2009 and 2008.

With respect to actuarial gains and losses, as mentioned in Note 3.23, the Group recognizes actuarial gains and losses immediately through income. Accordingly, there are no actuarial gains and losses recognized outside of net income.

Available-for-sale financial assets are comprised of various investments in non-consolidated entities, that are not listed (see Note 15) for which fair value cannot be measured reliably. Due to the fact that these investments are not material, these investments are measured at cost and accordingly, no unrealized gain/loss is recognized in the statement of comprehensive income.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of euros)	Notes	December 31, 2010	December 31, 2009	December 31, 2008	January 1, 2008
ASSETS					
Goodwill	10	984 533	1 194 728	1 194 723	1 194 723
Other intangible assets	11	352 122	320 045	367 445	424 635
Property, plant and equipment	12	1 038 930	1 168 774	1 182 936	1 112 692
Share in net assets of equity affiliates	14	3 886	3 969	3 778	3 625
Other non-current financial assets	15	4 712	6 139	4 270	3 330
Deferred tax assets	9	—	—	—	—
Non-current assets		2 384 183	2 693 655	2 753 152	2 739 005
Inventories	16	23 825	22 950	23 869	27 497
Trade receivables and other receivables, net	17	236 838	375 051	409 729	311 040
Other current financial assets	15	245	1 583	568	28 802
Income tax receivable	9	—	604	813	923
Cash and cash equivalents	18	14 713	30 695	50 290	54 591
Current assets		275 621	430 883	485 269	422 853
Assets held for sale	27	270 554	—	—	—
TOTAL ASSETS		**2 930 358**	**3 124 538**	**3 238 421**	**3 161 858**

(in thousands of euros)	Notes	December 31, 2010	December 31, 2009	December 31, 2008	January 1, 2008
EQUITY AND LIABILITIES					
Capital stock		12 964	12 964	11 264	11 008
Additional paid-in capital		991 190	991 190	969 173	899 892
Retained earnings and other reserves		(1 776 198)	(1 840 805)	(1 729 514)	(1 725 443)
Net income (loss)—attributable to the equity owners of the parent		57 081	65 056	(111 290)	—
Equity attributable to equity owners of the parent		(714 963)	(771 595)	(860 367)	(814 543)
Non-controlling interests		12 284	12 526	12 603	14 269
Total equity	19	(702 679)	(759 069)	(847 764)	(800 274)
Non-current portion of financial liabilities	20	2 683 009	3 030 850	3 216 120	3 232 135
Non-current provisions	21/22	44 350	38 351	37 827	50 544
Deferred tax liabilities	9	—	3 790	2 840	2 989
Other non-current liabilities		71 252	46 959	12 910	7 555
Non-current liabilities		2 798 611	3 119 950	3 269 697	3 293 223
Current portion of financial liabilities	20	183 227	142 613	107 603	88 935
Current provisions	21/22	570	690	2 185	—
Trade payables and other current liabilities	23	439 005	619 929	706 273	579 765
Current income tax liabilities	9	194	425	427	209
Current liabilities		622 996	763 657	816 488	668 909
Liabilities held for sale	27	211 432	—	—	—
TOTAL EQUITY AND LIABILITIES		**2 930 358**	**3 124 538**	**3 238 421**	**3 161 858**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of euros)	Capital stock	Additional paid-in capital	Retained earnings, other reserves and net income (loss)	Total attributable to the owners of the parent	Non-controlling interests	Total equity
Balance as at January 1, 2008	11 008	899 893	(1 725 443)	(814 543)	14 269	(800 274)
Increase in share capital	256	69 280	—	69 536	—	69 536
Net income (loss)	—	—	(111 290)	(111 290)	1 212	(110 078)
Acquisition of Non-controlling interests (1)	—	—	(4 071)	(4 071)	(2 878)	(6 949)
Balance as at December 31, 2008	11 264	969 173	(1 840 804)	(860 368)	12 603	(847 764)
Increase in share capital	1 699	22 017	—	23 716	—	23 716
Disposal of Sequalum Participations	—	—	—	—	9	9
Net income (loss)	—	—	65 056	65 056	(85)	64 971
Balance as at December 31, 2009	12 964	991 190	(1 775 748)	(771 595)	12 526	(759 069)
Net income (loss)	—	—	57 081	57 081	(242)	56 840
Other adjustments	—	—	(450)	(450)	—	(450)
Balance as at December 31, 2010	12 964	991 190	(1 719 117)	(714 964)	12 284	(702 679)

(1) The increase for 2008 results from the acquisition of the non-controlling interests (5% ownership) of Est Vidéocommunications SAS from Fiparès. The Group increased its ownership from 95% to 100%.

The difference between the price paid (€6,949 thousands of euros) and the share in net assets acquired (€2,878 thousands of euros) has been recognized through equity.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Net income from ongoing activities	25 603	49 451	(115 278)
Share in net income (losses) of equity affiliates	(368)	(190)	(154)
Depreciation and amortization	239 962	228 772	268 288
Gains and losses on disposals	3 094	229	(16 711)
Other non-cash operating gains and losses	(51 024)	12 402	92 815
Net cash provided (used) by operating activities before changes in working capital, finance costs and income tax	217 267	290 665	228 960
Finance costs, net	190 902	189 734	210 410
Income tax paid	(87)	208	329
Changes in working capital	6 545	(7 412)	46 752
Net cash provided (used) by operating activities	414 627	473 195	486 451
Capital expenditures	(189 957)	(189 714)	(300 724)
Proceeds from disposal of tangible and intangible assets	8 074	—	16 712
Decrease (increase) in loans and other non-current financial assets	125	(179 988)	523
Cash expenditures for acquisition of consolidated and non-consolidated companies	—	149	(6 941)
Investment subsidies and grants received	7 479	4 736	115
Net cash provided (used) by investing activities	(174 279)	(364 818)	(290 316)
Proceeds from issuance of shares	—	23 716	69 536
Issuance of debt	2 665	170 237	28 884
Repayment of debt	(132 451)	(126 593)	(80 135)
Interest paid	(138 085)	(189 719)	(215 530)
Net cash provided (used) by financing activities	(267 871)	(122 360)	(197 295)
Net cash flow from continuing activities	(27 523)	(13 982)	(1 160)
Net cash flow from discontinued operations	15 196	736	3 741
Net increase (decrease) in cash and cash equivalents	(12 327)	(13 247)	2 582
Cash and cash equivalents—opening balance	30 695	43 942	41 360
Cash and cash equivalents—closing balance	18 368	30 695	43 942

As at December 31, 2010 the total amount of cash and cash equivalents, i.e. €18,368 thousands, break down as follows:

—Continuing activities €14,713 thousands
—Discontinued operations €3,655 thousands

The net increase (decrease) in cash and cash equivalents from January 1, 2008 to December 31, 2010 is detailed as follows:

	Continuing activities	Discontinued operations	Total
Cash and cash equivalents as at January 1, 2008	39 164	2 196	41 360
Net cash provided (used) by operating activities	486 451	40 124	526 575
Net cash provided (used) by investing activities	(290 316)	(9 234)	(299 550)
Net cash provided (used) by financing activities	(197 295)	(27 148)	(224 443)
Intercompany transactions	4 393	(4 393)	—
Net cash flow	3 233	(651)	2 582
Cash and cash equivalents as at December 31, 2008	42 398	1 544	43 942
Net cash provided (used) by operating activities	473 195	32 078	505 273
Net cash provided (used) by investing activities	(364 818)	(9 329)	(374 147)
Net cash provided (used) by financing activities	(122 360)	(22 012)	(144 372)
Intercompany transactions	228	(228)	—
Net cash flow	(13 755)	509	(13 246)
Cash and cash equivalents as at December 31, 2009	28 643	2 052	30 695
Net cash provided (used) by operating activities	414 627	46 937	461 564
Net cash provided (used) by investing activities	(174 279)	(9 532)	(183 811)
Net cash provided (used) by financing activities	(267 871)	(22 209)	(290 080)
Intercompany transactions	13 593	(13 593)	—
Net cash flow	(13 931)	1 603	(12 327)
Cash and cash equivalents as at December 31, 2010	14 713	3 655	18 368

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Ypso France SAS (the "Company" or the "Group") is a simplified stock company ("société par actions simplifiée") incorporated under French law, subject to French commercial company law and, in particular, the French Commercial Code (Code de commerce). Its registered office is located at 10, rue Albert Einstein 77420 Champs-sur-Marne (France).

The Group operates cable networks in France (activities of the Group in Belgium and Luxembourg have been classified as discontinued operations as at December 31, 2010) and provides television broadcasting, telephony and high speed internet access services over its networks to residential subscribers and business users. The Group operates through legal entities located in France, Belgium and Luxembourg.

The parent company of Ypso France SAS is Ypso Holding S.à.r.l, a company incorporated in Luxembourg, which is held by a group of investment and private equity firms, Altice, Cinven and Carlyle.

The Consolidated Financial Statements reflect the financial position of Ypso France SAS and its subsidiaries, together with interests in equity affiliates. Amounts are reported in euros and all values are rounded to the nearest thousand.

The Consolidated Financial Statements have been prepared and approved by the Chairman on January 30. 2012, in conjunction with the proposed issuance of Notes and are not intended to be submitted to an approval by the Chairman of the Company.

In December 2010, the management of Ypso France decided to dispose of the activities of the Group in Belgium and Luxembourg. The management thus engaged the sale of the subsidiaries Coditel Belgium and Coditel Luxembourg, which was completed as at June 30, 2011.

In accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (IFRS 5):

- the assets of Coditel Belgium and Coditel Luxembourg are presented separately on the face of the balance sheet as at December 31, 2010 in the lines "Assets held for sale" and "Liabilities held for sale";
- the results of Coditel Belgium and Coditel Luxembourg are presented separately in the statement of income in the line "Net income resulting from discontinued operations" for all the periods presented;
- the cash flows from Coditel Belgium and Coditel Luxembourg are presented separately in the cash flow statement in the caption "Net cash flow from discontinued operations" for all the periods presented.

The impact of the application of IFRS 5 is further detailed in Note 27.

2 BASIS OF PREPARATION

2.1 First-time adoption of IFRS

Under French law, Ypso France SAS is not required to prepare and issue consolidated financial statements due to its inclusion in the consolidated financial statements of Ypso Holding S.à.r.l.

The Group prepares consolidated financial statements in accordance with the accounting rules and principles generally accepted in France (French GAAP), in application of Regulations n° 99.02 and n° 2005.10 of the Accounting Regulations Board, in connection with the financing agreement entered into with the banks on June 6, 2006 and subsequently amended on July 18, 2006, March 2, 2007, June 24, 2008 and December 9, 2009.

In addition, on a voluntary basis, financial statements for the Group are issued for the first time under International Financial Reporting Standards as adopted by the European Union (IFRS) for the year ended as of December 31, 2010. The Group's IFRS accounting policies presented in Note 3 have been applied in preparing the financial statements for the three years ended December 31, 2010.

As a first-time adopter of IFRS as of January 1, 2008 (hereinafter referred to as "the Transition Date" to IFRS), the Group has applied the specific requirements of IFRS 1 *First-time Adoption of International Financial Reporting Standards* (IFRS 1) (see Note 30 for an explanation of the transition to IFRS).

Exemptions applied by the Group upon transition to IFRS are the following:

2.1.1 Business combinations

The Group has elected not to apply IFRS 3 *Business Combinations (2008)* (IFRS 3) retrospectively to business combinations that occurred before the date of transition (January 1, 2008).

2.1.2 Fair value or revaluation as deemed cost

The Group has elected not to use fair value as deemed cost at the date of transition for some items of property, plant and equipment that are maintained at cost at the date of transition.

2.1.3 Employee benefits

In our consolidated financial statements issued in accordance with the accounting rules and principles generally accepted in France, the Group has elected to recognize actuarial gains and losses for its defined benefit plans in the income statement when they are incurred. As a consequence, there is no cumulative gains and losses not recognized at the date of transition.

2.1.4 Compound financial instruments

The Group classifies the Interest Free Preferred Equity Certificates (IFPEC) on initial recognition as an equity instrument (within Non-controlling interests) in accordance with IAS 32 *Financial Instruments: Presentation* (IAS 32) (see Note 3.21).

2.1.5 Designation of previously recognized financial instruments and Fair value measurement of financial assets or financial liabilities at initial recognition

The Group enters into derivative contracts to manage its interest rate exposure that do not qualify as hedges for accounting purposes according to IAS 39 *Financial Instruments: Recognition and*

Measurement (IAS 39). Derivatives are recognized at fair value at transition date and classified as financial assets and liabilities at fair value through profit or loss.

With respect to the other exemptions or exceptions of IFRS 1, the following exemptions or exceptions have no impact on the Consolidated Financial Statements:

- Cumulative translation differences;
- Investments in subsidiaries, jointly controlled entities and associates ;
- Share-based payment transactions;
- Insurance contracts;
- Decommissioning liabilities included in the cost of property, plant and equipment;
- Leases;
- Financial assets or intangible assets accounted for in accordance with IFRIC 12 *Service Concession Arrangements*;
- Borrowing costs.

2.2 Statement of compliance

The accounting policies and measurement principles adopted for the consolidated financial statements at December 31, 2010 are the same as those used in the previous consolidated financial statements.

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) with mandatory application as of December 31, 2010. These accounting standards and interpretations are available on the website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

They are similar to the standards and interpretations published by the IASB and compulsory as of December 31, 2010, with the exception of the carve-out of the IAS 39 standard and the below standards and interpretations adopted by the EU but not yet mandatory in EU as of December 31, 2010. However, those standards and interpretations are not applicable to the Group, because none of the Group's transactions are currently within their scopes as of December 31, 2010. As a result, the Group's Consolidated Financial Statements comply with International Financial Reporting Standards as published by the IASB.

The following are standards and interpretations that have been issued by the IASB/IFRIC and adopted by the EU at the date of approval of these Consolidated Financial Statements but that are not yet effective, of which the Group has not elected an earlier application:

- revised IAS 24 *Related Party Disclosures*, adopted by the European Union on July 20, 2010, which is mandatory from the beginning of the first financial year starting after December 31, 2010, i.e. from January 1, 2011 for the Group;
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*, adopted by the European Union on

- July 24, 2010, which is mandatory from the beginning of the first financial year starting after June 30, 2010, i.e. from January 1, 2011 for the Group;

- the amendment on *Classification of Rights Issues* to IAS 32 *Financial Instruments: Presentation*, adopted

- by the European Union on December 24, 2009, which is mandatory from the beginning of the first financial

- year starting after January 31, 2010, i.e. January 1, 2011 for the Group;

- amendments on *Prepayments of a Minimum Funding Requirement to IFRIC 14*, adopted by the European

- Union on July 20, 2010, which is mandatory from the beginning of the first financial year starting after

- December 31, i.e. from January 1, 2011 for the Group.

The Group is currently assessing the potential impact of the application of these standards and amendments on the consolidated statement of income, the consolidated statement of financial position, the consolidated statement of cash flows and the content of the notes to the financial statements.

With respect to the Amendment to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*: applicable for financial periods beginning on or after July 1, 2010. The Group classifies its financial instruments measured at fair value into three levels (the fair value hierarchy) and discloses comparative information for the year ended December 31, 2009 and 2008. The additional disclosure requirements were introduced in March 2009 by *Improving Disclosures about Financial Instruments* (Amendments to IFRS 7).

Similarly, the Group has not opted for early application of the following standards, amendments and interpretations likely to be approved by the European Union in 2011 at the earliest:

- annual improvements to IFRS (2008-2010);

- amendments to IAS 12, *Deferred tax: recovery of underlying assets*;

- amendments to IFRS 1, *Severe hyperinflation and removal of fixed dates for first-time adopters*.

Finally, as part of the ongoing overhaul of IAS 39, the IASB adopted a new standard, IFRS 9 *Financial instruments* (Phase 1, Classification and Measurement) in November 2009. In application of current regulations, this standard, which has not yet been adopted by the European Union, cannot be early adopted for the year 2010.

2.3 Going concern assumption

The Group was formed by series of acquisitions, mainly funded through external borrowings. In addition, the construction and subsequent modernization of the network have required substantial investments. These two factors explain the structure of the balance sheet and the proportion of financial liabilities in relation to total equity as well as the significant amount of depreciation and amortization expense and net finance cost.

Currently, the Group services its debt and funds its investments through its net cash flows from operations.

Furthermore, the Group's covenants under the Senior Facility Agreement (SFA) (see Note 20) require the Group to comply with certain liquidity ratios and to maintain certain cash levels.

The Group renegotiated the terms of the SFA in 2009 which resulted in a change in the levels of the covenants (see Note 20.6).

In addition, as disclosed in Note 1, on May 19, 2011, the Group entered into a share purchase agreement with Altice, Deficom and Apax Partners to dispose its activities in Belgium and Luxembourg. As a result, all of the outstanding shares in Coditel Belgium and Coditel Luxembourg (collectively "Coditel") were transferred on June 30, 2011 to Coditel Holding S.A., an entity based in Luxembourg, owned by Altice, Deficom and Apax MidMarket upon completion of the transaction. The proceeds from the sale of Coditel amounted to approximately €360 millions.

Under these conditions, management believes that the Group has been able:

- to comply with its covenants as of December 31, 2011 as it has complied with its three first quarterly financial covenants in 2011;
- to finance its cash requirements during the year 2011 and the service and reimbursement of its financial debt for this period.

As a result, the Consolidated Financial Statements of the Group as of December 31, 2010 have been prepared on a going concern basis.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Principles governing the Preparation of the Consolidated Financial Statements

Pursuant to IFRS accounting policies, the consolidated financial statements have been prepared according to the historical cost principle, with the exception of certain assets and liabilities detailed below, namely:

- derivative financial instruments measured at fair value;
- financial assets at fair value through profit and loss measured at fair value;
- available-for-sale financial assets measured at fair value.

3.2 Basis of consolidation

Subsidiaries

All companies in which the Group has a controlling interest, namely those in which it has the power to govern financial and operational policies in order to obtain benefits from their operations, are fully consolidated. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

Associates

Investments over which the Group exercises significant influence, but not control, are accounted for under the equity method. Such investees are referred to as "associates" throughout these Consolidated Financial Statements.

Significant influence is presumed to exist when the Group holds at least 20% of the voting power of associates. Associates are initially recognized at cost. The consolidated financial statements include the Group's share of income and expenses, from the date significant influence commences until the date that significant influence ceases.

3.3 Foreign Currency Translation

Foreign currency transactions are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction. At the closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate prevailing on that date. All foreign currency differences are expensed. Non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of initial transaction. All differences are taken to profit and loss.

3.4 Revenue

Revenue from the Group's activities is mainly composed of TV subscriptions (TV), broadband Internet, basic cable services, telephony and installations fees invoiced to residential and business clients.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intercompany sales within the group.

Revenue is recognized and presented as follows, in accordance with IAS 18 *Revenue* (IAS 18):

- Revenues from subscriptions for basic cable services, digital TV pay, internet and telephony are recognized in revenue on a straight-line basis over the subscription period; revenues from telephone calls are recognized in revenue when the service is rendered.

- When a promotion not related to a customer's past consumption and purchases (such as subscription's rate discount, service free period) is offered to customer in relation to a subscription, the Group recognizes the total amount of billable revenue on a straight-line basis over the term of the contract provided that the Group has the enforceable and contractual right to deliver the customer with the products after the promotional free month period. If a promotion is not subordinated to the subscription to a contract including a non-cancellable period, the company recognizes revenues during the promotion's period up to the consideration received or receivable, as the customer's continuance is not assured.

- Installation and set up fees (including connection) for residential customers are accounted for as revenues when the service is rendered, if consideration received is lower than the sales direct costs to acquire the contractual relationship. Service access fees for business clients when they only allow to access to the services and are sold associated to an equipment or a service, are deferred and the

corresponding revenue is recognized along the statistical client lifetime duration and generally spread over the contractual engagement period.

- The revenue related to transmission capacity on terrestrial cables under indefeasible rights of use ("IRU") arrangements are recognized on a straight-line basis over the life of the contract.

3.5 Deferred revenue

For certain arrangements entered into with its non-residential customers, the Group receives up-front cash payments, namely in relation to indefeasible right of use arrangements and connection fees. For these arrangements, the revenue is generally recognized ratably over the duration of the lease contract. Deferred revenue at the end of the reporting period represents unrecognized network lease revenue.

3.6 Operating income before depreciation and amortization

The Group has included the subtotal "Operating income before depreciation and amortization" on the face of the consolidated statement of income. The Group believes that this subtotal is useful to users of the Group's financial statements as it provides them with a measure of the operating results which excludes non-cash elements such as depreciation and amortization, enhancing the predictive value of our financial statements and providing information regarding the results of the Group's ongoing trading activities and cash-flow generation that allows investors to better identify trends in the Group's financial performance.

This measure is used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel.

The Group's subtotal within operating income may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from this measure do ultimately affect the operating results. Accordingly, the Group also presents "Operating income" within the consolidated statement of income which encompasses all amounts which affect the Group's operating results.

3.7 Finance costs

Finance costs primarily comprise:

- interest charges and other expenses paid for financing operations recognized at amortized costs;

- changes in the fair value of interest rate derivative instruments that do not qualify as hedges for accounting purposes according to IAS 39;

- interest income relating to cash and cash equivalents;

- gains on extinguishment of debt.

Impact of discounting provisions for retirement benefits is recognized in operating income in "Staff costs and employee benefits expense" with the related charges.

3.8 Segment information

IFRS 8 *Operating Segments* requires segment information to be presented on the same basis as that used for internal reporting purposes.

The internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker, being the President of the Group, in order to allocate resources to the segments and to assess their performance lead to identify separate operating segments.

The Group is managed and operates in three separate operating segments, based on the different geographic areas where the services are rendered: France, Belgium and Luxembourg. As Belgium and Luxembourg activities are identified as discontinued, the only operating segment left is then France.

3.9 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) all taxable temporary differences associated with investments in subsidiaries, branches and associates, except to the extent that both of the following conditions are satisfied a) the Group is able to control the timing of the reversal of the temporary difference (e.g. the payment of dividends); and b) it is probable that the temporary difference will not reverse in the foreseeable future.

Accordingly, for fully and proportionally consolidated companies, a deferred tax liability may be recognized in the amount of taxes payable on planned dividend distributions by these companies.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10 Government grants and investment subsidies

The company may receive non-repayable government grants and investment subsidies in the form of direct or indirect funding of capital projects, mainly provided by local and regional authorities. These grants are deducted from the cost of the related assets and recognized in the income statement, based on the pattern in which the related asset's expected future economic benefits are consumed.

3.11 Goodwill and Business Combinations

Business combinations are accounted for in accordance with the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair value at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5.

The cost of acquisition is measured as the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree;

- any costs directly attributable to the business combination.

Any excess of the cost of acquisition over the Group's share in the fair value of all identified assets and liabilities is recognized as goodwill.

When goodwill is determined provisionally by the end of the period in which the combination is effected, the Group recognizes any adjustments to those provisional values within twelve months of the acquisition date. Comparative information presented for the periods before the initial accounting of fair values is complete is presented as if the initial accounting had been completed from the acquisition date, if the adjustments to provisional values would have materially affected the presentation of the consolidated financial statements.

If the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds the purchase price, a gain is recognized immediately.

Subsequently, goodwill is measured at its initial amount less recorded accumulated impairment losses (see Note 13). Impairment loss for goodwill is recorded in the income statement as a deduction from operating income and is never reversed subsequently.

With respect to the acquisition of non-controlling interests (i.e. a minority interest in a subsidiary that is already fully consolidated), the Group fully allocates the difference between the price paid and the share in net assets acquired to equity in accordance with IAS 27 (2008), with no revaluation of the assets and liabilities acquired.

3.12 Intangible assets

Recognition and measurement principles

Intangible assets are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises all directly attributable costs necessary to buy, create, produce, and prepare the asset to be capable of operating in the manner intended by management. Intangible assets consist mainly of rights of use, patents, acquired and internally generated software.

IRU correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognized as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibers or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are depreciated over the shorter of the expected period of use and the life of the contract between 3 and 20 years.

Patents are amortized on a straight-line basis over the expected period of use, generally not exceeding 10 years.

Software is amortized on a straight-line basis over its expected useful life which generally does not exceed 3 years.

The cost of an internally generated intangible asset is the sum of personnel expenditure incurred from the date when the intangible asset first meets the recognition criteria of IAS 38. An intangible asset arising from the development phase of an internal project shall be recognized if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

  Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalization of costs ceases when the project is finalized and the asset is available for use. The cost of an internally generated intangible asset arising from the development phase of an IT internal project is amortized on a straight-line basis over its expected useful life which generally does not exceed 3 years.

Conformity with agreements entered into with local authorities

To set up and operate its networks, the company has entered into various agreements with the local authorities and representative bodies under successive legal frameworks (French cable network plan, Freedom of Communication Act of 1986, etc.). Many of these agreements convey exclusive rights to the operator and also lay down obligations in terms of local television service provision, programming, pricing policy, and the associated license fees payable. Some of the agreements are public service concessions with "return property" clauses, whereby ownership of the technical plant and civil engineering works reverts to the local authorities at the end of the concession.

The EU Telecoms Directives of 2002, referred to as the "Telecoms Package", set forth the principle of open competition among operators on the telecommunications market, requiring national regulatory authorities to enforce fair competition conditions, without granting exclusive or special rights for setting up and operating networks. The French law of July 9, 2004, which transposed the Telecoms Package into French law, required existing agreements to be brought into compliance by the end of July 2007 at the latest, in order to remove all exclusive rights clauses and ensure the shared use of public civil engineering infrastructure.

In July 2007, the French regulatory authority for communications and postal affairs ("ARCEP") issued a report on cable network agreement compliance, stating that some agreements could justifiably be classified as public service concessions (hence ownership of certain infrastructure and facilities may be transferred to the local authorities at the end of the agreement under a "return property" clause).

For its part, the Group believes that only a minority of the agreements entered into with the local authorities were classified as public service concessions when concluded and then that IFRIC 12 do not apply, with the exception of the contract entered into in relation to the public service delegation arrangement with the department of Hauts-de-Seine (*Délégation de Service Public 92)*.

Since the implementation of the Telecoms Package, the Group has endeavored to convert the agreements concerned into contracts conferring public domain rights of way. However, there are still a number of agreements that do not comply with the directives. While the Group has not yet fully measured the outcome of the process, it believes that efforts to conform with the directives will not have an adverse effect that should be accounted for in the financial statements at the current time.

3.13 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Buildings and premises are amortized on a straight-line basis over 20 years.

When property, plant and equipment include significant components with different useful lives, they are recorded and amortized separately. With respect to network and technical equipment, amortization and depreciation are calculated on a straight-line basis and the main amortization and depreciation periods are as follows:

Network and technical and equipment	**Method**	**Duration**
Network hubs	Straight line	10 to 15 years
Optical cables	Straight line	15 to 30 years
Engineering facilities	Straight line	20 to 40 years
Connections	Straight line	5 years
Digital terminals	Straight line	3 to 5 years
Furniture	Straight line	5 to 10 years
Fixtures and fittings	Straight line	8 to 10 years
Transport equipment	Straight line	2 to 5 years
Office equipment	Straight line	3 to 5 years
Computer equipment	Straight line	3 to 5 years

Gains or losses on disposal of property, plant and equipment are calculated as the difference between the profit from the disposal and the carrying amount of the asset and are recognized as other operating income or expenses.

3.14 Lease arrangements

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.15 Impairment of non-current assets

Each time events or changes in the economic environment indicate a current risk of impairment of goodwill, other intangible assets, property, plant and equipment and assets in progress, the Group re-examines the value of these assets. In addition, goodwill, other indefinite life intangible assets and intangible assets in progress are all subject to an annual impairment test during the second semester of each fiscal year.

This test is performed in order to compare the recoverable amount of an asset to its carrying amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In that case, recoverable amount is determined for the cash-generating unit to which the asset belongs. A Cash Generating Unit ("CGU") is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The value in use of each asset or group of assets is determined as the discounted value of future cash flows (discounted cash flow method or "DCF") by using a discount rate after tax specific to each asset or group of assets concerned.

The fair value less costs to sell is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable and willing parties, less costs to sell.

Where the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the caption "Depreciation and amortization" in the income statement. Only impairment loss recognized on assets other than goodwill such depreciable intangible assets, intangible assets with indefinite useful life and property, plant and equipment is reversed.

3.16 Financial assets

The Group classifies financial assets in four categories: available-for-sale, loans and receivables, held-to-maturity and financial assets at fair value through profit and loss. They are classified as current assets and non-current assets according to IAS 1.

Purchases and sales of all financial assets are accounted for at settlement date.

Available-for-sale financial assets

Available-for-sale financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition, they are reported at their fair value. Gains and losses arising from changes in their fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period.

Available-for-sale financial assets consist mainly of shares in non consolidated companies. Fair value corresponds to quoted price for listed securities or, for non listed securities, the group values financial assets at historical cost, less any impairment losses, when a reliable estimate of fair value cannot be made using valuation techniques in the absence of an active market.

When there is an objective evidence that available-for-sale assets are impaired, the cumulative impairment loss included in equity is reclassified from equity to income. Objective evidence that an available-for-sale financial asset is impaired includes, among other things, a decrease in the estimated future cash flows arising from these assets, as a result of significant financial difficulty of the issuer, a material decrease in expected future profitability or a prolonged decrease in the fair value of the security. Impairment losses recognized in profit or loss for equity instruments classified as available-for-sale are never reversed through profit or loss.

Available-for-sale financial assets are included in non-current asset unless management intends to dispose of the investment within 12 months of the balance sheet date.

Loans and receivables

Loans and receivables are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition. After initial recognition, they are measured at amortized cost using the effective interest rate method.

This category mainly includes trade receivables.

If there is objective evidence that an impairment loss has been incurred, the amount of this loss, measured as the difference between the financial assets' carrying value and its recoverable amount is recognized in profit or loss. Impairment losses may be reversed if the recoverable amount of the asset subsequently increases in the future.

Held-to-maturity financial assets

Held-to-maturity financial assets are financial assets with fixed or determinable payments and fixed maturity that the Group has a positive intent and ability to hold to maturity. Financial assets that are designated as held-to-maturity are measured at amortized cost, in accordance with the effective interest rate method.

They are reviewed for impairment on an individual basis if there is any indication they may be impaired.

The Group does not classify any financial asset in this category.

Financial assets measured at fair value through profit or loss

These financial assets are measured at fair value with gains and losses recorded as financial profits or expenses.

This category mainly includes:

- assets held for trading which the Group intends to sell in the near future (primarily marketable securities);
- assets voluntarily classified at inception in this category;
- derivatives financial assets.

3.17 Inventories

Inventories, mainly set top boxes and other 'TV boxes', are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method and includes expenditure incurred in acquiring the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

3.18 Cash and cash equivalents

Cash consists of cash in banks and deposits.

Cash equivalents consist of highly liquid investments not subject to significant changes in value and with an original maturity date of generally less than three months from the time of purchase. They include mainly money markets mutual funds (SICAV).

3.19 Share capital

Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.20 Financial Liabilities

Financial liabilities other than derivative instruments include:

- Borrowings under the Senior Facility Agreement, debt related to finance leases, guarantee deposits, advances received, bank overdrafts;

- perpetual floating rate notes ("titres subordonnés à durée indéterminée" or "TSDI");

Borrowings under the SFA, debt related to finance leases, guarantee deposits, advances received, bank overdrafts

These financial liabilities are measured at amortized cost calculated based on the effective interest rate method according to IAS 39. The effective interest rate is the internal yield rate that exactly discounts future cash flows through the term of the financial liability. Fees, debt issuance and transaction costs are included in the calculation of the effective interest rate over the expected life of the instrument. The accrued interests are included in "Current portion of financial liabilities" in the statement of financial position.

Perpetual floating rate notes (TSDI)

The instrument includes a contractual obligation to deliver cash (including interest) when cash inflows arising from revenues allow the Group to reimburse the financing borrowing according to the terms of the contract. Pursuant to this contract, the payment of interest and the reimbursement of the debt in contingent to the level of cash inflows generated but the Group does not have an unconditional right to avoid delivering cash. As a consequence, the instrument is recognized as a financial liability at amortized cost according to IAS 32.

3.21 Interest free preferred equity certificates (IFPEC)

The instrument gives the Group (the issuer) a choice over how it is settled. The Group can choose settlement by exchanging for shares (fixed number of IFPEC for a fixed number of its own equity instruments) or in cash. The Group classifies the instrument on initial recognition as an equity instrument (within Non-controlling interests) in accordance with IAS 32 as the Group has no contractual obligation to deliver cash.

At maturity date, if the Group has not expressed its intent to exchange the instrument into shares, the amount recognized in equity will be transferred into liabilities, which will be extinguished by the reimbursement in cash.

3.22 Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The Group enters into interest rate swaps and caps to manage its interest rate exposure. The objective is to convert variable interest rate financial instruments into fix interest rate financial instruments. These contracts do not qualify as hedges for accounting purposes according to IAS 39, as there was no formal designation and documentation of the hedging relationship at inception. Changes in the fair value of any these derivative instruments are recognized immediately in the income statement within financial income and expenses.

3.23 Employee benefits, provisions and contingent liabilities

Provisions are recognized when the Group has a legal obligation (legal, regulatory or contractual) or a constructive obligation, as a result of past events, and it is probable that economic benefits in the form of outflow of resources will be required to settle the obligation and the obligation can be reliably estimated. Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is not recognized, but disclosed.

Employee benefits

The Group participates in employee benefit plans through defined contribution plans, and defined benefit plans.

The Group accounts for pension costs related to defined contribution plans as they are incurred within personnel expenses in the income statement.

Estimates of the Group's pension and end of service benefit obligations are calculated annually, in accordance with the provisions of IAS 19 *Employee Benefits* (IAS 19), with the assistance of independent actuaries, using the projected unit credit method and considering actuarial assumptions including the probable turn-over of beneficiaries, the increase of salary, the expected average life span and the probable future length of the employees' service and an appropriate discount rate updated annually.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit and loss when they are incurred.

Litigations

The amount of provisions for litigation is based on the Group's assessment of the level of risk and depends on its assessment of the basis for the claims.

Restructuring

Provisions for restructuring costs are recognized when the restructuring plans have been finalized and approved by the Group's management, and when the Group has raised a valid expectation in those affected that it will carry out the plan either by starting to implement the plan or announcing its main features to those affected by it. These provisions only include direct expenditures arising from the restructuring, notably severance payments, early retirement costs, costs for notice periods not worked and other costs directly linked with the closure of the facilities.

3.24 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. According to the Group, it does not take a substantial period of time to get ready for the intended use because of the incremental deployment of the network. IAS 23 *Borrowing Costs* has consequently no impact on the consolidated financial statements.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Group management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses.

Such estimates are prepared on the assumption of going concern, established based on currently available information and take into consideration the current economic environment. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

The measurement of some assets and liabilities in the preparation of these financial statements include assumptions made by management particularly on the following items:

- *Revenue recognition:* As indicated in Note 3.4, revenue under IAS 18 accounting is measured at the fair value of the consideration received or to be received when the Group has transferred the significant risks and rewards of ownership of a product to the buyer or when service is rendered. With respect to contracts that includes installation, connection and set up fees for residential customers, significant judgment is required to determine whether the recognition criteria set forth in IAS 18 should be applied separately and whether installation, set up and connection should be considered a separable service. With respect to service access fees for business clients, management estimates the statistical client lifetime duration and generally recognizes revenue ratably over the contractual engagement period, which is estimated at the inception of the arrangement based on historical information. Accordingly, depending upon how judgment is exercised and how estimates are determined, the timing and amount of revenue recognized could differ significantly.

- *Capitalization of development costs:* the criteria for capitalizing development costs are set out in Note 3.12. Once capitalized, these costs are amortized over the estimated useful lives of the products concerned (generally 3 years). The Group must therefore evaluate the commercial and technical feasibility of these development projects and estimate the useful lives of the products resulting from the projects. Should a product fail to substantiate these assumptions, the Group may be required to impair or write off some of the capitalized development costs in the future.

- *Fair value of financial instruments* (see Note 24.3): fair value is determined by reference to the published market price at period end. For financial instruments for which there exists no published market price in an active market such as the interest-rate swaps the Group currently uses to hedge its interest rate risk, fair value is then estimated based on models that rely on market observable data or by the use of various valuation techniques, such as present value of future cash flows.

- *Recognition of deferred tax assets on unrealized tax loss carryforwards* (see Notes 3.10 and 9): deferred tax assets relate primarily to tax loss carry-forwards and to deductible temporary differences between reported amounts and the tax bases of assets and liabilities. The assets relating to the tax loss carry-forwards are recognized if it is probable that the Group will generate future taxable profits against which these tax losses can be set off. Evaluation of the Group's capacity to utilize tax loss carry-forwards relies on significant judgment. The Group analyzes past events, and the positive and negative elements of certain economic factors that may affect its business in the foreseeable future to determine the probability of its future utilization of these tax loss carryforwards. As of December 31, 2010 and 2009, in evaluating whether deferred tax assets should be recognized, management considered the weight of one

form of negative evidence being a significant amount of cumulative losses in recent years and concluded that it is not probable that future taxable profit will be available against which the unused tax loss carryforwards can be utilized.

- *Impairment tests* (see Notes 3.11 and 13): the determination of recoverable amounts of the CGUs assessed in the annual impairment test requires an estimate of their fair value net of disposal costs as well as their value in use. The assessment of the value in use requires assumptions to be made with respect to the operating cash flows of the CGUs as well as the discount rates.

  The determination of the value in use is based on assumptions such as the weighted average cost of capital and the growth rate beyond projection period. These assumptions can vary, which may result in the recoverable amount to decrease below the carrying amount, and therefore to the recognition of an impairment charge. As of December 31, 2010 and 2009, the assumptions used for the purposes of determining the value in use were as follows:

	December 31, 2010	**December 31, 2009**
Weighted average cost of capital (WACC)	8.02%	8.46%
Growth rate beyond projection period for terminal value (GTP rate)	1.50%	1.50%

  The determination of the value in use has been determined by using cash flow projections based on financial budgets approved by senior management covering a planning period of 8 years. The relatively long projection period for estimating future cash flows is justified by the long contractual relationship with the customers. The projections of subscribers, revenue, costs, and capital expenditures are based on reasonable and supportable assumptions that represent management's best estimates. Key assumptions are the estimated number of subscribers and the level of upgraded network infrastructure. The projections are based on both past experience and expected future market penetration with the various products.

  In terms of sensitivity of recoverable amounts, a change of plus or minus 0.25% in the WACC would decrease or increase the recoverable amount by 140 to 150 million euros. Likewise, a change of plus or minus 0.25% in the GTP rate would increase or decrease the recoverable amount by 50 to 190 million euros.

  As at December 31, 2010, the amounts by which the key assumptions would have to change where the change would result in the recoverable amount equaling the carrying amount are as follows:

  - WACC increase by 250 basis point from 8.02% to 10.52%;
  - GTP rate decrease by 480 basis point from 1.5% to −3.3%;
  - Gross margin fall by 10.3% from an average gross margin of 52.2% to an average gross margin of 41.9%;

5 REVENUE

The Company is one of the leading French alternative telecommunication operators, active in both the consumer market, where the Company offers cable TV, broadband Internet and fixed and mobile telephony services to consumers in France (activities of the Group in Belgium and Luxembourg have been classified as discontinued operations) and the wholesale market, where the Company offers traditional wholesale voice and data services, data links, fiber access and infrastructure sale to other telecommunications operators as well as white label cable TV, broadband Internet and telephony services to retail consumers.

Revenue by nature breaks down as follows:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Basic cable services	144 627	171 296	191 461
Digital TV pay	395 476	406 886	420 287
Internet	57 713	63 129	70 309
Telephony	150 465	136 984	135 071
Installation	21 945	24 501	29 692
Other	77 194	54 013	49 524
Revenue	**847 420**	**856 809**	**896 344**

Revenue by geographical location breaks down as follows:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
France	847 420	856 809	896 344
Other		—	—
Revenue	**847 420**	**856 809**	**896 344**

6 OTHER OPERATING INCOME

Other operating income is primarily comprised of the following:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Own work capitalized	35 490	22 794	22 329
Proceeds from sale of assets	8 074	55	16 711
Other	3 077	4 049	6 853
Other operating income	**46 641**	**26 898**	**45 893**

Own work capitalized are related to network projects staffed by in-house employees resulting from increased upgrade activity of the cable footprint. A corresponding amount of expenditure is reflected in staff costs.

7 OTHER OPERATING EXPENSE

Other operating expense is primarily comprised of the following:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Outsourcing and purchased services	(70 630)	(67 276)	(69 520)
Rental and leasehold charges	(9 766)	(10 877)	(11 616)
Advertising fees	(21 693)	(16 376)	(20 445)
Management fees paid to our shareholders	(4 175)	(11 839)	(2 942)
Fees paid to other third parties	(26 501)	(18 445)	(18 430)
Repair and maintenance expenses	(55)	(165)	(2 727)
Bad debt expense	(9 993)	(12 084)	(722)
Postal expenses	(4 488)	(3 653)	(6 262)
Transportation expenses	(2 377)	(2 673)	(2 188)
Rights of way paid	(10 007)	(8 403)	(9 303)
Royalties and license fees paid	(14 031)	(13 911)	(19 010)
Net book value of assets sold	(11 168)	—	(16 497)
Penalties paid to another operator	—	—	(7 200)
Miscellaneous operating expense	(4 453)	(1 228)	(5 362)
Other operating expense	**(189 337)**	**(166 930)**	**(192 224)**

Management fees have been paid to our shareholders Altice, Cinven and Carlyle in relation to certain management, financing and advisory services provided.

Royalties and license fees have been paid to certain third parties such as the SACEM (*Société des Auteurs, Compositeurs et Editeurs de Musique*, a French professional association collecting payments of artists' rights and distributing the rights to the original authors, composers and publishers) and the ANGOA (*Agence Nationale de Gestion des Œuvres Audiovisuelles*, in charge of collecting and redistributing fees to French producers and cable TV or ADSL operators).

Bad debt expense corresponds to the write off of the period (€13.8 million in 2010, €23.9 million in 2009 and €34.7 million in 2008) less the corresponding reversal of valuation allowance (€3.8 million in 2010, €11.8 million in 2009 and €34.0 million in 2008 as disclosed in Note 17).

8 FINANCE COSTS, NET

Finance costs, net as of December 31, 2010 and 2009 can be analyzed as follows:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Gain on partial extinguishment of debt	—	73 620	—
Interest income received on cash and cash equivalents	528	524	1 190
	528	**74 144**	**1 190**
Change in fair value of interest rate derivatives	40 758	(2 620)	(64 658)
Interest expense on financing determined using the effective interest rate	(190 901)	(189 734)	(210 893)
	(150 143)	**(192 354)**	**(275 551)**
Fees paid in relation to the renegotiation of the Senior Facility Agreement	—	(17 900)	(3 600)
Other financial expense	(972)	(1 749)	(2 673)
	(972)	**(19 649)**	**(6 273)**
Finance costs, net	**(150 587)**	**(137 859)**	**(280 634)**

In December 2009, a portion of the debt with Ypso Holding S.à.r.l, the parent company of the Group, has been extinguished in relation to the refinancing of the Senior Facility. As a result of this refinancing, a gain was recognized in 2009 through financial income for €73.6 million.

For the year ended December 31, 2009 and 2008, waiver fees have been paid to lenders in relation to the renegotiation of the terms of the Senior Facility Agreement for €17.9 million and €3.6 million respectively.

9 INCOME TAX

9.1 Income tax expense

Income tax expense is comprised of the following:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Current income tax expense	(3 839)	(7 974)	(14 539)
Deferred income tax expense	—	—	—
Income tax expense	**(3 839)**	**(7 974)**	**(14 539)**

9.2 Reconciliation between the effective tax rate and the theoretical tax rate

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Net income (loss) before tax	29 442	57 426	(96 346)
Less: Share in net income (loss) of equity affiliates	(368)	(190)	(154)
	29 074	57 235	(96 500)
Corporate tax rate in France	34.43%	34.43%	34 43%
Income tax expense calculated at 34.43%	**(10 010)**	**(19 706)**	**33 225**
Reconciliation of income tax expense			
Effect of revenue that is exempt from taxation and effect of expenses that are not deductible in determining taxable profit	18 274	(17 243)	(6 117)
Effect of unused tax losses and tax offsets not recognized as deferred tax assets	(12 113)	25 469	(41 613)
Research and development tax credit	117	288	—
Effect of other differences	(107)	3 218	(33)
Income tax expense recognized in profit or loss	**(3 839)**	**(7 974)**	**(14 539)**
Effective tax rate	13.21%	13.94%	(15.07%)

The tax rate used for the 2010, 2009 and 2008 reconciliations above is the corporate tax rate of 34.43% payable by corporate entities in France on taxable profits under tax law in that jurisdiction.

9.3 Current tax assets and liabilities

No tax refund receivable was recognized as of December 31,2010, while a tax refund receivable for €604 thousand and €813 thousand was recognized as a current tax asset as of December 31, 2009 and 2008 respectively.

The income tax payable is classified in "Current tax liabilities" and amounts to €194, €425 and €427 thousand as of December 31, 2010, December 31, 2009 and 2008 respectively.

9.4 Deferred tax assets and liabilities

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Deferred tax assets			
Tax loss carryforwards	—	—	788
Deferred tax assets, net	**—**	**—**	**788**
Deferred tax liabilities			
Network assets	—	(3 790)	(3 628)
Deferred tax liabilities, net	**—**	**(3 790)**	**(2 840)**

The change in deferred tax balances is as follows:

(in thousands of euros)	December 31, 2010	December 31, 2008	December 31, 2008
Deferred tax liabilities, net as of the beginning of year	**(3 790)**	**(2 840)**	**(2 989)**
Deferred income tax (expense)/benefit	(168)	(950)	149
Deferred tax recognized through equity	—	—	—
Deferred tax liabilities classified as held for sale	3 958		
Deferred tax liabilities, net as of the end of year	**—**	**(3 790)**	**(2 840)**

9.5 Unrecognized deferred tax assets

Aggregate unused loss carry-forwards as at December 31, 2010 amounted to €1 820 million representing a tax asset of €627 million. The tax asset for loss carry-forwards was not recognized in the financial statements as its recovery depends on future earnings, which are uncertain.

The total net tax loss carryforwards breaks down by legal entity as follows:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Ypso France[1]	579 290	548 860	490 458
NC Numericable and TME[2]	1 239 056	1 239 479	1 249 788
Numericable			2 595
Sequalum and Sequalum Participation	1 436	333	—
Total tax loss carryforwards	**1 819 782**	**1 788 672**	**1 742 941**
Unrecognized deferred tax assets	**626 551**	**615 840**	**600 095**

(1) This reflects the amount of losses generated during the period by the Ypso France consolidated tax group, which comprises the companies Ypso France, Numericable, NC Numericable, TME France, and Est Vidéocommunications. This line item also includes the tax losses generated by Ypso France prior to the tax consolidation.

This item includes losses contested by the tax authorities (€68 104 thousand as of December 31, 2010).

(2) This reflects the tax losses generated by companies of the NC Numericable subgroup before inclusion in the consolidated tax group.

The potential tax savings relate to tax losses carried forward that expire as follows:

Years (in thousands of euros)	December 31, 2010
2010	—
2011	—
2012	—
2013	—
2013 and thereafter	—
Indefinite	1 819 782
Total tax loss carryforwards	**1 819 782**

9.6 Tax audits

Over the course of the second half of 2008, certain Group's subsidiaries, NC Numericable SA, LCO SA (merged in 2008), RAPP 16 (merged in 2008) and SLT (merged in 2005), have been subject to a tax audit by the French tax authorities for fiscal years ended December 31, 2006 and 2005. As a result, a tax contingency for an amount of €11.3 million is recognized as of December 31, 2010.

Since the second half of 2010, NC Numericable SA, Numericable SAS and Ypso France SAS are subject to another tax audit by the French tax authorities for fiscal years ended December 31, 2007, December 31, 2008 and 2009. As a result, a tax contingency for an amount of €4.4 million has been recognized as of December 31, 2010.

10 GOODWILL

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Carrying amount, net:			
Balance as of the beginning of the year	1 194 728	1 194 723	1 194 723
Additional goodwill recognized during the period	—	5	—
Disposal of Coditel	(210 195)		
Balance as of the end of the year	**984 533**	**1 194 728**	**1 194 723**

The Group is the result of a series of acquisitions carried out over the past years:

- *December 2002*: Acquisition of Est Videocommunications (EV) (Alsace region) by Altice One (a group of investors led by Patrick Drahi. EV was formed in 1990 as an indirect subsidiary of Electricité de Strasbourg (controlled by EDF), the provider of electricity services in Alsace. EV had been an active consolidator of smaller cable operations in Alsace and grew into its current position as the leading cable service provider in Alsace. Electricité de Strasbourg retained a 5% shareholding in Est Vidéocommunications, which has been purchased by the Group in 2008.

- *November 2003*: Acquisition of Coditel (Belgium and Luxembourg) by Altice One. Coditel was founded in 1960 and started as a provider of cable services in the Brussels area. The operations expanded into Luxembourg in 1971. Today, Coditel is the main cable operator in the Brussels region, as well as in the City of Luxembourg.

- *March 2005*: Acquisition by Altice and Cinven from France Telecom and Groupe Canal+ of a 60% controlling equity interest in Ypso, a newly created entity combining France Telecom Cable (FTC), NC Numericable (NCN) and TDF Cable (TDFC). France Telecom and Groupe Canal+ each retained a minority stake of 20% in Ypso until February 2006 when Altice and Cinven bought them out:

    - FTC was founded and operated by France Telecom in 1993 as a result of the French government's push to develop cable networks at the time. As part of the March 2005 transaction, TDFC became a subsidiary of FTC, along with its network assets. With the acquisition, FTC became the owner of the Wanadoo Cable Broadband Internet subscriber base, and network assets employed by FTC were transferred from France Telecom to Ypso;

    - Compagnie Générale de VideoCommunication (CGV), founded in 1984 and controlled by the Générale des Eaux (now Veolia), was renamed NCN in 1998, when Groupe Canal+ became the majority shareholder. As part of the March 2005 acquisition, network assets employed by NCN were transferred from France Telecom to Ypso.

- *November 2005*: Acquisition of Altice One by Eno (new holding vehicle owned by Altice and Cinven): Eno was created by Altice and Cinven in order to align shareholding structure and economic interest at Altice One with Ypso's and facilitating a business combination with Ypso, which took place in June 2006, thus resulting in a significant amount of goodwill recognized as a result of the business combination

- *July 2006*: Acquisition of Noos-UPC France by Ypso: Liberty Global acquired UPC France SA (UPC) and Noos in September 1999 and July 2004, respectively, and subsequently combined both companies into a single entity − UPC France was created in 1995 through the combination of networks owned by UIH and Philips (Citecable). In 1999, UPC further expanded in France through small acquisitions and in September 1999, Liberty Global acquired a controlling interest in UnitedGlobalCom ("UGC"), the Parent Company of UPC France. In July 2005, UGC worldwide merged with Liberty Global International to become Liberty Global. Noos was created in 1986 and became a significant player in the French cable industry when it won the contract to build a cable network for Paris and its suburbs in 1999. In July 2004, GDF Suez sold 79.9% of Noos (then the #1 French cable operator) to UGC. The remaining 20.1% shares were sold in April 2005.

The historical balance of goodwill under French GAAP, prior to the transition to IFRS, is primarily related to the acquisition of Noos-UPC France by Ypso and the business combination between Eno and Ypso. As mentioned in Note 2.1, the Group did not restate business combinations prior to January 1, 2008.

11 OTHER INTANGIBLE ASSETS

(in thousands of euros)	Capitalized development costs	Usage rights, patents and licenses	Commercial rights	Other intangible assets	Total
Gross value					
Balance as of January 1, 2010	6 697	485 565	33 944	23 480	**549 687**
Capital expenditures and additions	2 134	12 445	—	10 996	25 576
Business combinations	—	—	—	—	—
Disposal of Coditel	(6 650)	(2 855)	—	—	(9 505)
Reclassification	—	—	1 897	—	1 897
Balance as of December 31, 2010	2 181	495 155	35 841	34 476	**567 653**
Cumulative amortization and depreciation					
Balance as of January 1, 2010	(5 202)	(184 861)	(33 700)	(5 879)	**(229 641)**
Amortization expense	(98)	(60 799)	—	(6 151)	(67 048)
Depreciation expense	—	—	—	—	—
Reversal of depreciation expense	—	—	—	—	—
Disposal of Coditel	5 155	2 373	—	—	7 528
Reclassification	—	80 367	(960)	(5 777)	(73 630)
Balance as of December 31, 2010	(145)	(162 920)	(34 660)	(17 806)	**(215 531)**
Net book value					
Balance as of January 1, 2010	1 496	300 704	244	17 601	**320 045**
Balance as of December 31, 2010	2 036	332 235	1 181	16 669	**352 122**
Gross value					
Balance as of January 1, 2009	5 697	476 979	33 008	32 548	548 232
Capital expenditures and additions	1 000	8 622	—	9 178	18 800
Business combinations	—	—	—	—	—
Disposals	—	(37)	—	(17 309)	(17 346)
Reclassification	—	1	936	(937)	—
Balance as of December 31, 2009	6 697	485 565	33 944	23 480	**549 687**

(in thousands of euros)	Capitalized development costs	Usage rights, patents and licenses	Commercial rights	Other intangible assets	Total
Cumulative amortization and depreciation					
Balance as of January 1, 2009	(4 196)	(127 942)	(31 452)	(17 198)	(180 811)
Amortization expense	(1 006)	(57 012)	(2 248)	(5 776)	(66 042)
Depreciation expense	—	—	—	—	—
Reversal of depreciation expense	—	39	—	17 095	17 134
Reclassification	—	54	—	—	54
Balance as of December 31, 2009	(5 202)	(184 861)	(33 700)	(5 879)	**(229 641)**
Net book value					
Balance as of January 1, 2009	1 502	349 037	1 556	15 350	367 445
Balance as of December 31, 2009	1 496	300 704	244	17 601	320 045
Gross value					
Balance as of January 1, 2008	4 697	464 790	32 885	29 743	532 115
Capital expenditures and additions	1 000	12 598	123	3 134	16 855
Business combinations	—	—	—	(329)	(329)
Disposals	—	(408)	—	—	(408)
Reclassification	—	—	—	—	—
Balance as of December 31, 2008	5 697	476 979	33 008	32 548	**548 232**
Cumulative amortization and depreciation					
Balance as of January 1, 2008	(3 111)	(70 218)	(22 297)	(11 854)	(107 480)
Amortization expense	(1 085)	(57 748)	(9 155)	(5 673)	(73 660)
Depreciation expense	—	—	(7 924)	—	—
Business combinations	—	—	—	329	329
Reversal of depreciation expense	—	—	—	—	—
Reclassification	—	24	7 924	—	7 948
Balance as of December 31, 2008	(4 196)	(127 942)	(31 452)	(17 198)	**(180 787)**
Net book value					
Balance as of January 1, 2008	1 586	394 571	10 588	17 889	**424 635**
Balance as of December 31, 2008	1 502	349 037	1 556	15 350	**367 445**

The amount of research and development expenses that have been capitalized during the year ended December 31, 2010 represents €,2.1 million.

Usage rights represent the most part of the line item "usage rights, patents and licenses". They reflect the rights to use the civil engineering installations and infrastructure built by the incumbent operator.

12 PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	Land	Buildings	Network and technical equipment	Work in progress	Other	Total
Gross value						
Balance as of January 1, 2010	1 421	48 406	1 554 173	58 041	83 871	**1 745 912**
Capital expenditures and additions	—	862	158 631	651	3 634	163 779
Business combinations	—	—	—	—	—	—
Disposals, other than Coditel	—	—	(45 348)	(4 261)	(793)	(50 403)
Disposal of Coditel	(70)	(706)	(51 168)	—	(19 150)	(71 093)
Reclassification	—	—	3 617	(3 617)	54	54
Balance as of December 31, 2010	1 351	48 562	1 619 905	50 814	67 617	**1 788 250**
Cumulative amortization and depreciation						
Balance as of January 1, 2010	—	(19 217)	(590 215)	—	32 294	**(577 139)**
Amortization expense	—	(4 160)	(132 049)	—	(19 323)	(155 532)
Depreciation expense	—	—	—	(678)	—	(678)
Reversal of depreciation expense	—	—	29 685	—	765	30 450
Disposal of Coditel	—	222	14 061	—	12 978	27 261
Reclassification	—	1 555	11 208	—	(86 448)	(73 685)
Balance as of December 31, 2010	—	(21 600)	(667 310)	(678)	(59 734)	**(749 320)**
Net book value						
Balance as of January 1, 2010	1 421	29 189	963 958	58 041	116 165	**1 168 774**
Balance as of December 31, 2010	1 351	26 962	952 596	50 137	7 883	**1 038 930**

(in thousands of euros)	Land	Buildings	Network and technical equipment	Work in progress	Other	Total
Gross value						
Balance as of January 1, 2009	1 421	47 409	1 571 176	58 920	76 281	1 755 207
Capital expenditures and additions	—	1 060	146 963	6 772	9 649	164 444
Business combinations	—	—	—	—	—	—
Disposals	—	(64)	(169 701)	(1 915)	(2 269)	(173 949)
Reclassification	—	—	5 736	(5 736)	210	210
Balance as of December 31, 2009	1 421	48 406	1 554 173	58 041	83 871	**1 745 912**
Cumulative amortization and depreciation						
Balance as of January 1, 2009	—	(14 571)	(530 701)	—	(26 998)	(572 271)
Amortization expense	—	(4 648)	(220 276)	—	(22 180)	(247 103)
Depreciation expense	—	—	—	—	—	—
Reversal of depreciation expense	—	—	160 762	—	81 738	242 468
Reclassification	—	2	—	—	(266)	(265)
Balance as of December 31, 2009	—	(19 217)	(590 215)	—	32 294	**(577 139)**
Net book value						
Balance as of January 1, 2009	1 421	32 838	1 040 474	58 920	49 282	**1 182 936**
Balance as of December 31, 2009	1 421	29 189	963 958	58 041	116 165	**1 168 774**
Gross value						
Balance as of January 1, 2008	1 421	45 016	1 355 722	97 381	65 061	1 564 601
Capital expenditures and additions	—	2 552	250 431	18 087	12 581	283 651
Business combinations	—	—	—	—	—	—
Disposals	—	(158)	(93 235)	—	(1 624)	(95 017)
Reclassification	—	—	58 257	(56 548)	263	1 972
Balance as of December 31, 2008	1 421	47 409	1 571 176	58 920	76 281	**1 755 207**

(in thousands of euros)	Land	Buildings	Network and technical equipment	Work in progress	Other	Total
Cumulative amortization and depreciation						
Balance as of January 1, 2008	—	(9 915)	(412 947)	—	(29 047)	(451 909)
Amortization expense	—	(4 688)	(215 676)	—	(20 806)	(241 170)
Depreciation expense	—	—	—	—	—	—
Reversal of depreciation expense	—	32	97 079	—	31 858	128 968
Reclassification	—	—	842	—	(9 003)	(8 159)
Balance as of December 31, 2008	—	(14 571)	(530 701)	—	(26 998)	**(574 195)**
Net book value						
Balance as of January 1, 2008	1 421	35 101	942 776	97 381	36 014	**1 112 692**
Balance as of December 31, 2008	1 421	32 838	1 040 474	58 920	49 282	**1 182 936**

The net book value of assets under finance leases breaks down as follows:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Land	1 029	1 029	1 029
Buildings	7 489	7 783	8 093
Technical equipment	11 027	15 579	20 130
Other	6	172	338
	19 551	**24 563**	**29 590**

13 IMPAIRMENT TEST

13.1 Allocation of goodwill to the cash-generating units ("CGU")

As a result of the various acquisitions described in Note 10, goodwill has been allocated to the CGU Numericable, NC Numericable, Coditel Belgium, Coditel Luxembourg, Est Videocommunication and other entities in accordance with IAS 36.

13.2 Key assumptions used to determine the recoverable amount of the CGUs

The impairment test of goodwill is done based on the respective cash generating units defined above. In accordance with IAS 36 Impairment of Assets, the impairment test is performed by comparing the carrying amount with the recoverable amount. For the entities in Belgium and Luxembourg, for which assets and liabilities and have been classified as held for sale as at December 31, 2010, a goodwill of €210,195 thousands was originally recognized. This goodwill is classified as *Assets held for sale* as at December 31, 2010.

The recoverable amount is determined based on the value in use using a discounted cash flow approach.

The determination of the value in use is based on the following estimates as of December 31, 2010 and 2009:

	2010	2009
Length of projection period	8 years	8 years
Weighted average cost of capital	8.02%	8.46%
Growth rate beyond projection period for terminal value	1.50%	1.50%

The determination of the value in use has been determined by using cash flow projections based on financial budgets approved by senior management covering a planning period of 8 years. The relatively long projection period for estimating future cash flows is justified by the long contractual relationship with the customers.

The projections of subscribers, revenue, costs, and capital expenditures are based on reasonable and supportable assumptions that represent management's best estimates. Key assumptions are the estimated number of subscribers and the level of upgraded network infrastructure. The projections are based on both past experience and expected future market penetration with the various products.

As mentioned in Note 4, the determination of the value in use is based on assumptions such as the weighted average cost of capital and the growth rate beyond projection period. These assumptions can vary, which may result in the recoverable amount to decrease below the carrying amount, and therefore to the recognition of an impairment charge.

The net book value of goodwill breaks down as follows as of December 31, 2010:

(in thousands of euros)	December 31, 2010
NC Numericable SA	528 588
Est Videocommunication	229 076
Numericable SAS	150 562
Other entities	76 307
	984 533

14 INVESTMENT IN ASSOCIATE

The Group exercises significant influence over Alsace Connexia Participation, an associate accounted for under the equity method of accounting. Alsace Connexia Participation is indirectly owned 38.14% by Ypso France, 38.15% by LD Collectivités and 23.71% by Sogetrel Réseaux as of December 31, 2010. In 2009, LD Collectivités bought the equity interest held by Sogetrel Réseaux and now holds a controlling interest in Alsace Connexia Participation.

Alsace Connexia Participation owns a 70% stake in Alsace Connexia, which has been granted a public service concession by the regional authority of Alsace to design, build, fund, operate and market telecommunications infrastructure in the region for a 15-year period. The concession contract took effect as of February 3, 2005.

The following tables provide information on the net assets and operating results of Alsace Connexia Participation:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Net assets	9 260	9 943	9 539
Share of net assets of Ypso France SAS	3 518	3 778	3 625
Net income (loss)	968	502	404
Share of net income (loss) of Ypso France SAS	368	190	154

15 OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

	Current			Non-current		
(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2010	December 31, 2009	December 31, 2008
Interest-rate derivatives	—	—	—	2 380	4 760	—
Investments in non-consolidated entities classified as available-for-sale	—	—	—	71	81	81
Other financial assets	245	1 583	568	2 261	1 299	4 189
Total financial assets	**245**	**1 583**	**568**	**4 712**	**6 139**	**4 270**

As of December 31, 2010, a significant portion of the variable-interest rate debt of the Group is hedged using interest-rate swaps (refer to Note 20 for more details on financial liabilities). Further information on interest-rate derivatives is also disclosed in Note 24.3. As disclosed in Note 24.3, the Group enters into interest rate swaps and caps to manage its interest rate exposure but these derivatives do not qualify as hedges for accounting purposes according to IAS 39. Accordingly, changes in the fair value of any these derivative instruments are recognized immediately in the income statement as part of finance costs, net as these interest-rate derivatives are directly related to the application of our interest rate risk management policy even though they do not qualify for hedge accounting under IAS 39 (see Note 7).

Such interest-rate derivatives are presented as non-current financial assets because they are not held primarily for trading purposes, designated under a non-qualifying hedge accounting relationship.

In 2009, the Group entered into interest rate options, referred to as caps in order to compensate if interest rates rise above a predetermined rate (strike rate). Caps are measured at their fair values and classified as a non-current financial asset for €2,380 thousand as of December 31, 2010 and €4,760 thousand as of December 31, 2009.

The investments in non-consolidated entities classified as available-for-sale financial assets are related to equity interests held by the Group in non-consolidated entities such as Cable Toulousain de Videocom, Médiamétrie Expansion, Rennes cité Média and TV7 Bordeaux. These companies are not consolidated due to the Group's lack of control or influence over them.

16 INVENTORIES

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Gross value	25 017	24 119	24 980
Valuation allowance	(1 192)	(1 168)	(1 112)
Net book value	**23 825**	**22 950**	**23 869**

Inventories are primarily comprised of set top boxes used to receive programming distributed via digital channels. The cost of inventories recognized as an expense during the year ended December 31, 2010 and 2009 was €0,1 and €0,8 million respectively. The amount recognized in relation to write-downs of inventory to net realizable value is immaterial for 2010, 2009 and 2008.

17 TRADE RECEIVABLES AND OTHER RECEIVABLES

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Trade receivables	146 825	231 612	283 161
Valuation allowance	(18 632)	(23 331)	(27 753)
Trade receivables, net	**128 194**	**208 281**	**255 407**
Advances and down payments	3 152	3 579	21 380
Current accounts receivable	2 076	2 032	946
Tax and social security receivables	97 816	120 576	105 086
Prepaid expenses	2 088	929	1 142
Other current receivables	3 512	39 654	25 768
Trade receivables and other receivables, net	**236 838**	**375 051**	**409 729**

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortized cost. Due to their short-term maturity, fair value and amortized cost approximates the nominal amount of trade receivables.

The average credit period for residential customers is 5 days. No interest is charged on trade receivables on the outstanding balance. As at December 31, 2010, the Group has recognized an allowance for doubtful debts of 83% against all receivables over 90 days because historical experience has been that receivables that are past due beyond 90 days are recoverable on the basis of a rate of 17%. Allowances for doubtful debts are recognized against trade receivables between 0 days and 90 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Trade receivables consist of a large number of customers, spread across diverse geographical areas.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognized an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements

over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Ageing of past due receivables

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Not due	38 627	78 089	84 177
0-90 days	29 527	76 322	89 061
90-180 days	9 869	21 534	26 007
>180 days	68 802	55 667	83 916
Total	**146 825**	**231 612**	**283 161**

The concentration of credit risk is limited due to the customer base being large and unrelated. There is no customer which represents more than 5% of the total balance of trade receivables.

Change in valuation allowance for trade receivables is as follows:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Balance as of the beginning of the year	**(23 331)**	**(27 753)**	**(77 053)**
Additional allowance	(1 971)	(5 513)	(8 184)
Bad debt expense	3 746	11 813	33 994
Reversal of valuation allowance	—	—	23 490
Receivables classified as held for sale	2 924	—	—
Reclassification	—	(1 877)	—
Balance as of the end of the year	**(18 632)**	**(23 331)**	**(27 753)**

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the consolidated statements of cash flows includes cash at hand, cash funds and short-term deposits. Reconciliation between cash and cash equivalents presented in the consolidated statements of cash flows and the line item "Cash and cash equivalents" in the consolidated statements of financial position is presented below:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Cash at hand	14 713	30 695	34 449
Cash equivalents	—	—	15 841
Cash and cash equivalents presented in the consolidated statements of financial position	**14 713**	**30 695**	**50 290**
Cash from discontinued operations	3 655	—	—
Bank overdrafts classified as financial liabilities in the consolidated statements of financial position	—	—	(6 348)
Cash and cash equivalents presented in the consolidated statements of cash flows	**18 368**	**30 695**	**43 942**

As at December 31, 2010 and 2009, no cash equivalents were held.

As at December 31, 2008, cash equivalents amounted to €15,841 thousand. They comprised money market funds issued by CPR Asset Management and held by the Group's treasury management company Eno Belgium. These mutual funds meet the definition of cash and cash equivalents as they are highly liquid investments that are subject to an insignificant risk of changes in value. These money market funds have been sold in 2009.

19 SHAREHOLDERS' EQUITY

19.1 Share capital

As of December 31, 2010, share capital of Ypso France SAS is comprised of 1,296,356 shares with a par value of €10, which have been authorized and issued. The changes in share capital are presented below:

Number of shares	**2010**	**2009**	**2008**
As of the beginning of the year	1 296 356	1 126 430	1 100 815
Increase in share capital	—	169 926	25 615
Repurchase and redemption of treasury shares	—	—	—
As of the end of the year	1 296 356	1 296 356	1 126 430
Par value	*10,€*	*10,€*	*10,€*

The Group does not hold treasury shares as of December 31, 2010, December 31, 2009 and 2008.

Through a stock issue on March 12, 2008, Ypso France SAS increased its share capital by €29,535,000, comprising aggregate par value of €79,000 and €29,456,000 of additional paid-in capital, to finance

certain contract termination costs paid to settle the dispute between Net2Phone and its subsidiaries Est Videocommunications, Coditel Belgium and Coditel Luxembourg.

On September 25, 2008, Ypso France again increased its share capital by €40,001,000, comprising aggregate par value of €117,000 and €39,824,000 of additional paid-in capital, in relation to the negotiated increase in the total permitted leasing capacity provided for in the Senior Facility Agreement from €25 million to €50 million (refer to Note 24.3).

The two stock issues conducted in 2008 increased share capital to €11,264,300.

On December 8, 2009, Ypso France SAS increased its share capital by €23,715,977 comprising aggregate par value of €1,699,260 and €22,016,717 of additional paid-in capital, in relation to the renegotiation of the covenants (refer to Note 20.6).

19.2 Dividends

During the year ended December 31, 2010 and 2009, the Group did not distribute dividends to its shareholders. The Group does not expect to distribute dividends in 2011.

19.3 IFPEC (Interest Free Preferred Equity Certificates)

In 2005, the Group, through its subsidiary Coditel Luxembroug, issued to Ypso Luxembourg, the parent company of the Group, Interest Free Preferred Equity Certificates (IFPEC) with an individual nominal value of €25 and an aggregate nominal value of €12,606,000. These instruments do not bear interest and have a maturity of 30 years. The instrument does not confer voting rights to holders. They are subordinated to all other debt contracted by the company before or after their issuance.

The instrument gives the Group (being the issuer) a choice over how it is settled at the maturity date. The Group can choose settlement and may opt to convert the IFPEC into shares (i.e. a fixed number of IFPEC for a fixed number of its own equity instruments using a fixed-to-fixed ratio of 1:1) or in cash. The Group may opt for the early reimbursement of all or part of the securities under certain conditions.

Accordingly, the Group classified the instrument on initial recognition as an equity instrument in accordance with IAS 32 as the Group has no contractual obligation to deliver cash.

At maturity date, if the Group has not expressed its intent to exchange the instrument into shares, the amount recognized in equity will be transferred into liabilities, which will be extinguished by the reimbursement in cash.

The outstanding amount of €12,606 thousand is classified within equity in "Non-controlling interests" as of December 31, 2010.

19.4 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance, including early repayment of debt. The Group's overall strategy remains unchanged from 2008 to 2010.

The capital structure of the Group consists of net debt (financial liabilities as detailed in Note 20 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed above and in the consolidated statements of changes in shareholders' equity).

The Group is not subject to any externally imposed capital requirements.

The gearing ratio at the end of the reporting period is as follows:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Debt[(i)]	2 866 236	3 173 463	3 323 724
Cash and bank balances	(14 713)	(30 695)	(50 290)
Net debt	2 851 524	3 142 768	3 273 434
Equity[(ii)]	(702 679)	(759 069)	(847 764)
Net debt to equity ratio	(4.06)	(4.14)	(3.86)

(i) Debt is defined as long- and short-term borrowings (excluding interest-rate derivatives), as described in Note 20.

(ii) Equity includes all capital and reserves of the Group that are managed as capital such as the IFPEC.

20 FINANCIAL LIABILITIES

Total financial liabilities is broken down as follows:

(in thousands of euros)	Note	Current			Non-current		
		December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2010	December 31, 2009	December 31, 2008
Financial liabilities under the Senior Facility Agreement	20.1	155 091	131 949	94 900	2 445 904	2 730 590	3 014 452
Perpetual subordinated notes	20.2	—	0	0	30 710	28 684	26 816
Financial liabilities under finance leases	26.2	5 779	5 212	4 736	9 878	15 078	19 949
Other financial liabilities	20.5	777	1 021	1 615	145 805	136 960	4 709
Total loans and financial liabilities		161 647	138 182	101 251	2 632 297	2 911 312	3 065 926
Interest-rate derivatives	20.4	21 580	4 431	4	—	57 908	59 714
Deposits received from customers	20.3	—	—	—	50 712	61 630	90 480
Bank overdrafts		—	—	6 348	—	—	—
Total financial liabilities		183 227	142 613	107 603	2 683 009	3 030 850	3 216 120

20.1 Financial liabilities under the Senior Facility Agreement

The Group entered into a Senior Facility Agreement dated June 6, 2006, subsequently amended and restated on July 18, 2006 and March 2, 2007, amended on June 24 2008, amended and restated on December 9 2009, with BNP Paribas, CALYON, Lehman Brothers Bankhaus AG, London Branch and Morgan Stanley Bank International Limited, as the Mandated Lead Arrangers, BNP Paribas as Agent and Security Agent and others lenders (the "Senior Facility Agreement" or the "SFA"). In addition, certain subsidiaries of the Group are guarantors under the SFA, each guaranteeing, subject to certain limitations, the obligations of each other borrowers and guarantors under the SFA. The initial amount

available under the SFA was €3,225 million, including the portion of debt bear by Coditel Belgium and Coditel Luxembourg for €225.6 million.

The outstanding balance on this loan amounted to €2,774 million as at December 31, 2010, including €173 million on Coditel Belgium and Coditel Luxembourg which is presented under the line "Liabilities held for sale" as at December 31, 2010.

There are financial covenants attached to the SFA, which may affect the interest rates to be paid by the Group as well as the applicable margins on the SFA (see details below).

Structure of the SFA

The Senior Facility Agreement provides for facilities of €3,225 million, comprising the following:

- an A facility in a maximum aggregate principal amount of €685 million (the "A Facility"), itself composed of:
    - an A (recap) facility in a maximum principal amount of €400 million (the "A (Recap) Facility"), itself composed of:
        - a term loan facility in a maximum principal amount of €385.4 million (the "A (Recap) 1 Facility"), and
        - a term loan facility in a maximum principal amount of €14.6 million (the "A (Recap) 2 Facility");
    - an A (Acq) facility in a maximum principal amount of €285 million (the "A (Acq) Facility"), itself composed of:
        - a term loan facility in a maximum principal amount of €230.5 million (the "A (Acq) 1 Facility"), and
        - a term loan facility in a maximum principal amount of €54.5 million (the "A (Acq) 2 Facility");
- a B facility in a maximum aggregate principal amount of €1,565 million (the "B Facility"), itself composed of:
    - a B (recap) facility in a maximum principal amount of €815 million (the "B (Recap) Facility"), itself composed of:
        - a term loan facility in a maximum principal amount of €738.5 million (the "B (Recap) 1 Facility"), and
        - a term loan facility in a maximum principal amount of €76.5 million (the "B (Recap) 2 Facility");

- a B (Acq) facility in a maximum principal amount of €750 million (the "B (Acq) Facility"), itself composed of:
    - a term loan facility in a maximum principal amount of €285 million (the "B (Acq) 1 Facility"), and
    - a term loan facility in a maximum principal amount of €465 million (the "B (Acq) 2 Facility");
- a term loan facility in a maximum principal amount of €175 million (the "Capital Investment Facility");
- a C facility in a maximum aggregate principal amount of €800 million (the "C Facility"), itself composed of:
    - a term loan facility in a maximum principal amount of €522,050 million (the "C (Recap) Facility"),
    - a term loan facility in a maximum principal amount of €277,950 million (the "C (Acq) Facility"), and

Purpose of the SFA

Borrowings under the Term Facilities were intended for the following purposes:

- The A (Recap) Facility, the B (Recap) Facility and the Second Lien (Recap) Facility were intended to finance, in whole or in part, existing debt owed to the Parent, the purchase of the minority interests in Est Vidéocommunications SAS, the repayment of financial indebtedness outstanding on June 6, 2006 in an amount of €1,159.4 million and the payment of certain fees and expenses.
- The A (Acq) Facility, the B (Acq) 1 Facility, the B (Acq) 2 Facility and the Second Lien (Acq) Facility, representing an aggregate amount of €1,250 million, were intended to finance, in whole or in part, the acquisition of Noos SA, including the refinancing of its financial indebtedness (and that of its subsidiaries) existing on the acquisition date (July 18, 2006), the recapitalization of a subsidiary of Ypso France SAS and certain fees and expenses.
- The Capital Investment Facility is intended to finance or refinance capital expenditures, restructuring costs, acquisitions permitted under the Senior Facility Agreement, together with related costs and expenses and working capital requirements.
- The C (Recap) Facility and the C (Acq) Facility were intended to finance the repayment of the Second Lien Facility, and certain fees and expenses.

On June 30, 2008, the Group issued the last tranche available under the SFA being the "Capital Investment Facility" for an amount of €24.25 million thus bringing the total for the Capital Investment Facility tranche to €175 million.

Interest and Fees

The Term Facilities bear interest at rates per annum equal to EURIBOR plus the following applicable margins, depending on the ratio of consolidated total net borrowings to annualized EBITDA

(annualized EBITDA is calculated by adding the EBITDA for the last two quarters and multiplying the result by two):

Ratio of Consolidated Total Net Borrowings to Annualized EBITDA	A Facility Margin Capital Investment Facility Margin	B Facility Margin	C Facility Margin
Greater than 6.5:1	2.375%	2.750%	3.000%
Less than or equal to 6.5:1 but greater than 6.0:1	2.125%	2.750%	3.000%
Less than or equal to 6.0:1 but greater than 5.5:1	1.875%	2.500%	3.000%
Less than or equal to 5.5:1 but greater than 5.0:1	1.625%	2.250%	3.000%
Less than or equal to 5.0:1 but greater than 4.5:1	1.375%	2.250%	2.750%
Less than or equal to 4.5:1	1.250%	2.250%	2.750%

Upon the occurrence of an event of default under the Senior Facility Agreement, the Capital Investment Facility margin and the A Facility margin shall revert to 2.375%, the B Facility margin shall revert to 2.75% and the C Facility margin shall revert to 3.00%.

In addition to the margin above, there is a capitalized margin, payable upon maturity, of 1.25% on all tranches, if the ratio of consolidated total net borrowing to annualized EBITDA is below 4.25:1. Above 4.25:1, the capitalized margin rate is reduced to 0,75%.

The Group was originally required to pay the commitment fees on available but unused commitments under the Term Facilities, but there is no unused commitments under the Term Facilities as of December 31, 2010.

In addition, the Group was also required to pay arrangement and underwriting fees and to the Mandated Lead Arrangers and an agency fee to the Agent and the Security Agent, plus certain costs and expenses of the Mandated Lead Arrangers and of the Agent.

Guarantees and Security

The Term Facilities are guaranteed irrevocably and unconditionally on a joint and several bases by each guarantor under the Senior Facility Agreement, subject to certain legal limitations.

The Term Facilities are secured by various security interests, such as a pledge over the shares of Ypso France SAS and certain of its subsidiaries.

Covenants

The availability of the senior facility mentioned in Note 20.1 is not dependent upon the Group's credit ratings but rather is conditioned upon its compliance with a financial covenant linked to the capacity of the Group to generate sufficient cash to repay its net debt. Accordingly, the Senior Facility Agreement contains customary operating and financial covenants, subject to certain agreed exceptions, including covenants restricting the ability of the Group to, among other things:

- amalgamate, merge or consolidate with any other person or be the subject of any reconstruction or materially change the nature of the business of the Group as a whole;

- sell, transfer, lease out, lend or otherwise dispose of any of its assets or all or any part of its undertaking or agree to do so;
- enter into any material transaction otherwise than on arm's length commercial terms and for full market value;
- make acquisitions or investments;
- open or maintain any account with any bank or other financial institution providing like services other than a bank or credit institution entitled to engage in banking transactions in France, Belgium or Luxembourg;
- allot or issue any shares or securities;
- change the end of its fiscal year.

The Senior Facility Agreement also requires the Group to comply with the following financial covenants:

- a maximum ratio of consolidated total net borrowings to annualized EBITDA;
- a minimum ratio of consolidated cash flow to consolidated total debt service;
- a minimum ratio of annualized EBITDA to consolidated total net cash interest payable; and
- a maximum level of capital expenditure per fiscal year.

Compliance is tested quarterly and audited annually as of December 31st when we release our consolidated financial statements under French GAAP. Since the SFA was established, the Group has complied every year with the financial covenant that is included in the SFA.

As required under the SFA, the covenants are based on financial measures that are determined in accordance with French GAAP and not IFRS and, as a result, the definition of "Annualized EBITDA" set forth in the SFA is different from the EBITDA as it appears in the consolidated statement of income in accordance with IFRS.

Annualized EBITDA is calculated by adding EBITDA for the last two quarters and multiplying the result by two, and thus cannot be reconciled with EBITDA disclosed in the Financial Statements elaborated under French GAAP.

Repayment

The A (Recap) Facility and the A (Acq) Facility are to be repaid in semi-annual installments in accordance with the repayment schedule set out in the Senior Facility Agreement, with the final installment payable on June 15, 2013. The B Facility is to be repaid on June 15T, 2014 and the C Facility are to be repaid on December 31, 2015. The Capital Investment Facility is to be repaid on June 15, 2013.

20.2 Perpetual subordinated notes ("TSDI")

In 2006, a amount of €23.65 million in the form of perpetual subordinated notes ("Titres Subordonnés à Durée Indéterminée" or "TSDI") has been issued by a subsidiary of the Group, NC Numéricable to

a single subscriber, the GDF Suez Group (Vilorex), for a maximum €25 million (excluding capitalized interest). The proceeds of this borrowing are earmarked for financing the construction of connectors in towns in the southern part of the SIPPEREC ("Syndicat Intercommunal de la Périphérie de Paris pour l'Electricité et les Réseaux de Communication"), which is a group of cities comprising the Paris metropolitan area. The borrowing bears annual interest at 7% of the unamortized notes. The interest on the notes is capitalized. Amortization is conditional. The accrued interest on the notes amounted to €2,026 thousand, €1,868 thousand and €1,775 thousand as at December 31, 2010, December 31, 2009 and 2008 respectively and have been classified as non-current in the table above in Note 20.

The instrument includes a contractual obligation to deliver cash (including interest) when cash inflows arising from revenues allow the Group to reimburse the financing borrowing according to the terms of the contract. Pursuant to this contract, the payment of interest and the reimbursement of the debt in contingent to the level of cash inflows generated but the Group does not have an unconditional right to avoid delivering cash. As a consequence, the instrument is recognized as a financial liability at amortized cost according to IAS 32.

20.3 Deposits received from customers

Deposits received from customers amount to €50,712 thousand, €61,630 thousand and €90,480 thousand as at December 31, 2010, December 31, 2009 and 2008 respectively. These deposits are made when customers receive equipment from the company. They are reimbursed when customers terminate their subscriptions, on condition that the customers have paid any outstanding invoices and have returned the equipment. For each year end, the guarantee deposits were recorded as items due within more than one year.

20.4 Interest-rate derivative financial instruments

As of December 31, 2010, December 31, 2009 and 2008, the variable-interest rate financial liability under the SFA is partially hedged using interest rate swaps (variable rate against fixed rate). The nominal amount and fixed rate are different depending on the counterparty. According to the SFA, the Group is obligated to cover at least ⅔ of the outstanding amount of the Tranches A, B and C until June 30, 2011.

Detailed information on the swaps and their fair values is provided in Note 24.3.

20.5 Other financial liabilities

As of December 31, 2010, other financial liabilities are mainly related to:

- The debt owed by Numericable to several banks (mainly *Caisse d'Epargne d'Alsace-Lorrraine*), for €3,792 thousand;

- The debt owed to Ypso Holding for €28,377 thousand as a shareholder loan as a result of the share capital increase that occurred in December 2009;

- The debt owed to Ypso Luxembourg, the parent company of the Group ultimately held by our shareholders for €114,311 thousand.

20.6 Refinancing of the debt

In December 2009, the Group obtained consent from 98.6% of its lenders to amend the SFA as follows:

- Change in the level of covenants the Group has to comply with (as described in note 20.1) in order to provide more flexibility to the Group and change in the financial remuneration of 150 basis point
- Extinguishment of a portion of the senior debt for €180 million allocated to the tranche A, B and C for €28 million, €115 million and €37 million respectively; a portion of the debt has been repurchased by Ypso Holding Group for €106 million
- As a result, shareholders provided cash for approximately €50 million (€24 million as a capital increase as mentioned in Note 2.3 and €26 million as an 7.5% interest-bearing shareholders' loan as mentioned above)

As result, the discounted present value of the cash flows under the new terms, including fees for €18 million paid as a consent fee to the lenders and recognized as a financial expense, is more than 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. As a result, the above-mentioned modification of terms has been deemed to be substantial and accordingly, has been accounted for as a debt extinguishment under IAS 39, which resulted in a net financial income of €73.6 million being the gain on extinguishment of the €180 million financial liability for €106.4 million.

In June 26, 2008, the Group negotiated an increase in the maximum leasing capacity from €25 million to €50 million. The Group received the approval of the bank lenders to modify and amend the SFA accordingly. As a result, the Group incurred a waiver fee from BNP Paribas and the other lenders under the SFA of €3.6 million, which has been recorded immediately as a financial expense.

21 PROVISIONS AND CONTINGENT LIABILITIES

The nature and change in provisions for the year ended December 31, 2010 and 2009 are as follows:

(in thousands of euros)	January 1, 2010	Increase	Utilization	Reversal	Reclass.	Disposal of Coditel	December 31, 2010
Provisions for retirement benefits	9 503	702	—		—	(6 269)	3 936
Provisions for litigation with employees	6 162	2 995	(1 003)	(840)	(750)	—	6 564
Provisions for commercial litigation	2 490	51	(162)	—	(2 328)	—	51
Tax contingencies	13 045	4 851	—	(1 395)	—	(385)	16 116
Other	7 841	9 558	(1 373)		3 078	(851)	18 254
	39 041	**18 157**	**(2 538)**	**(2 235)**	**—**	**(7 505)**	**44 920**

(in thousands of euros)	January 1, 2009	Increase	Utilization	Reversal	Reclass.	December 31, 2009
Provisions for retirement benefits	1 826	1 407	(236)	6 506	—	9 503
Provisions for litigation	8 180	2 096	(4 113)	(1)	—	6 162
Restructuring provisions	2 499	—	—	(9)	—	2 490
Tax contingencies	12 118	7 771	(2 347)	(4 497)	—	13 045
Other*	15 389	2 674	(8 208)	(2 015)	—	7 841
	40 012	**13 949**	**(14 903)**	**(16)**	**—**	**39 041**

(in thousands of euros)	January 1, 2008	Increase	Utilization	Reversal	Reclass.	December 31, 2008
Provisions for retirement benefits	1 641	191	(6)	—	—	1 826
Provisions for litigation	33 715	6 596	(32 131)	—	—	8 180
Restructuring provisions	5 249	150	(2 900)	—	—	2 499
Tax contingencies	427	12 118	(427)	—	—	12 118
Other*	9 512	8 820	(2 943)	—	—	15 389
	50 544	**27 875**	**(38 402)**	**—**	**—**	**40 012**

* Other provisions as of December 31, 2008 mainly include penalties paid to another operator for €7 million which have been paid in 2009.

The balance of provisions is primarily non-current as at December 31, 2010, December 31, 2009 and 2008.

We are involved in a number of legal proceedings that have arisen in the ordinary course of our business. Other than as discussed below, we do not expect the legal proceedings in which we are involved, or with which we have been threatened, to have a material adverse effect on our business or consolidated financial position. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and we can offer no assurances in this regard.

Métropole Télévision SA ("M6 Group") litigation relating to a breach of contract

Pursuant to an agreement dated January 8, 2007 between M6 and Ypso France, we are authorized to distribute the channels of the M6 group. However, the M6 Group claims that we breached this agreement by including its channels in the white label packages we provide to Auchan Telecom, Darty Telecom and Bouygues Telecom by failing to obtain M6 Group's authorization and to compensate it. The M6 Group, which further claims that this breach was made possible by the use by Ypso of the Completel's network, thus argues that the contract was breached by us in respect of the broadcasting of its channels via both (i) the Completel network and (ii) our white label customers. It requested immediate termination of these broadcastings, with a €5,000 penalty per additional day of breach, as well as damages of a total amount of €2.8 million.

We claim in our defense that the contract was not breached, arguing that (i) the M6 Group's channels are broadcasted in a closed circuit and solely by us (and not Completel) and (ii) our white label customers are acting for us and on our behalf in compliance with the contract. The hearing in this case took place in May 2011 and is still pending.

Electricité de Strasbourg relating to unpaid invoices

Electricité de Strasbourg, a French electricity provider which manages an energy distribution network and a fiber optic network, entered into several contracts with Est Video Communication ("EVC") for the provision between 2002 and 2005 of an optical section (*tronçon optique*) and certain other physical

infrastructures. Electricité de Strasbourg claims that invoices of a total amount of €1.4 million in principal and €0.1 million of late payment penalties remained unpaid and requested in a summon (*requête*) dated October 27, 2011 that the judge rule for EVC to grant a provision of €1.0 million. The case was brought before the Strasbourg Civil Court. As of the date of this offering memorandum, we had not filed our defense memorandum.

France Telecom-Orange litigation relating to a contract for the sharing of equipment

On March 23, 2000, EVC entered into a five-year agreement with France Telecom-Orange for the sharing of equipment on a public property. The contract was tacitly renewed on March 23, 2005 and terminated on February 28, 2007 by France Telecom-Orange. France Telecom-Orange proposed new contractual terms and conditions in respect of these sharing arrangements and failing EVC's response, invoiced EVC pursuant to these terms. In 2010, France Telecom-Orange sued EVC claiming payment of €3.3 million, increased by late fees and penalties as from August 31, 2010. EVC's argued in its defense that the termination of the sharing contract, the change of tariffs and the retroactive application of a new offer are abusive and unfair. The case is still pending before the Strasbourg Civil Court.

ACR Media litigation relating to a breach of contract

We initiated legal proceedings in 2008 before the Paris Commercial Court against ACR Media, a company which managed two of our stores and carried out certain sales promotion campaigns on our behalf, after it terminated the contract we had entered into with it and closed the two stores. We claimed €0.8 million of damages against ACR Media for abusive breach of contract, breach of non-compete obligation, unfair competition and client solicitation, and harm to our reputation. ACR Media counterclaimed €3.9 million of damages against us, arguing that the contract in question should be considered a commercial agency contract. The case is still pending before the Paris Commercial Court.

Starsight Telecast, Inc. litigation relating to alleged counterfeited set-top boxes

On May 21, 2010, Starsight Telecast, Inc. initiated proceedings against us on the grounds of a patent counterfeit with respect to certain set-top boxes we supply to our customers. Starsight Telecast, Inc. has requested that (i) the full amount of damages be appraised by a court-appointed expert, (ii) a provisional payment of €1.0 million for damages be paid by us, (iii) an injunction against the manufacture, importation, sale of the alleged counterfeited set-top boxes and a €1,000 penalty for every violation of the injunction, and (iv) the submission of all documents and information held by us on such products, including the number of clients who received them and the turnover generated by their sale. On May 11, 2011, we requested that the developers of the alleged counterfeited set-top boxes (Nagra France, Nagravision and Open TV) be enjoined to the proceedings. The case is still pending before the Paris Civil Court.

22 EMPLOYEE BENEFITS

In France, Group employees benefit from a retirement indemnity plan. Accordingly, the Group participates in mandatory social security plans organized at the state level, for which contributions expensed correspond to the contributions due to the French state. The plan is considered to be a defined contribution plan as defined in IAS 19 Employee Benefits. Group employees are covered by the Telecom Industry Branch Social Agreement ("Convention Collective Nationale des Télécommunications, which determines the amount of retirement indemnity to be paid to the employee upon retirement.

The rights to conventional retirement benefits vested by employees were evaluated individually, based on various parameters and assumptions such as the employee's age, position, length of service in the Group and salary, according to the terms of their employment agreement.

22.1 Assumptions used for defined benefit plans

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Discount rate	4.75%	5.0%	5.6%
Expected salary increase rate	3.0%	3.0%	3.0%
Inflation rate	2.0%	2.0%	2.3%
Turnover—managers	7.0%	7.0%	19.0%
Turnover—other employees	15.0%	22.0%	17.0%

The turnover rate can vary significantly depending on length of service.

22.2 Components of Net Periodic Benefit (Cost)

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Service cost	324	190	173
Interest cost	161	101	86
Expected return on plan assets	—	—	—
Recognition of actuarial net (gain) loss	217	1 043	(70)
Past service cost	—	—	—
Curtailments/Settlements	—	—	—
Net periodic (benefit) cost	**702**	**1 334**	**189**
Experience loss (gain) on plan liabilities	71	439	(35)
Percentage of present value of plan liabilities	2%	14%	(27%)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit and loss when they are incurred.

Impact of discounting provisions for retirement benefits is recognized in operating income in "Staff costs and employee benefits expense" with the related charges.

For 2011, the amount of the expected net periodic benefit cost is approximately €564 thousand.

22.3 Change in defined benefit obligation

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Defined benefit obligation—beginning of year	**3 234**	**1 825**	**1 640**
Service cost	324	190	173
Interest cost	161	101	86
Contributions paid	—	—	—
Amortization of actuarial net gain (loss)	217	1 043	(70)
Benefits paid	—	—	(4)
Past service cost	—	—	—
Amounts recognized due to plan combinations	—	75	—
Curtailments/Settlements	—	—	—
Defined benefit obligation—end of year	**3 936**	**3 234**	**1 825**

23 TRADE PAYABLES AND OTHER PAYABLES

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Trade payables—general	320 896	369 962	423 460
Trade payables—acquisition of assets	19 720	24 584	42 171
Advances and down payments received	17 183	52 305	41 475
Current accounts payables	4 056	5 226	4 672
Liabilities related to tax and duties	46 566	70 619	65 852
Corporate and social security contributions	20 299	19 208	16 634
Deferred revenue	9 372	76 023	84 272
Other payables	913	2 003	27 736
Trade payables and other payables	**439 005**	**619 929**	**706 273**

Deferred revenue is mainly related to cash received in relation to unrecognized network lease revenue from customer contracts, which is generally recognized ratably over the duration of the lease contract.

24 FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Notes 3.17, 3.23 and 3.24.

24.1 Financial assets

(in thousands of euros)	December 31, 2010				
			Financial assets at fair value through profit and loss		
	Available-for-sale	Loans and receivables	Designated at fair value through profit and loss	Held for trading	Total Assets
Non-current financial assets	71	2 506	—	2 380	4 957
Trade receivables and other receivables	—	236 838	—	—	236 838
Interest-rate derivatives	—	—	—	—	—
Cash and cash equivalents	—	14 713	—	—	14 713
Financial assets	**71**	**254 057**	**—**	**2 380**	**256 508**

(in thousands of euros)	December 31, 2009				
			Financial assets at fair value through profit and loss		
	Available-for-sale	Loans and receivables	Designated at fair value through profit and loss	Held for trading	Total Assets
Non-current financial assets	81	2 882	—	4 760	7 723
Trade receivables and other receivables	—	375 051	—	—	375 051
Interest-rate derivatives	—	—	—	—	—
Cash and cash equivalents	—	30 695	—	—	30 695
Financial assets	**81**	**408 628**	**—**	**4 760**	**413 469**

	December 31, 2008				
			Financial assets at fair value through profit and loss		
(in thousands of euros)	Available-for-sale	Loans and receivables	Designated at fair value through profit and loss	Held for trading	Total Assets
Non-current financial assets	81	4 757	—	—	4 838
Trade receivables and other receivables	—	409 729	—	—	409 729
Interest-rate derivatives	—	—	—	—	—
Cash and cash equivalents	—	34 449	—	15 841	50 290
Financial assets	**81**	**448 935**	**—**	**15 841**	**464 857**

24.2 Financial liabilities

Except for interest-rate derivatives, financial liabilities are measured at amortized cost, which is the amount at which the financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

Interest-rate derivatives held for trading are measured at fair value through profit and loss.

24.3 Financial risk management objectives

Objective of the Corporate Treasury function

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (primarily interest rate risk since the Group's activities does not expose it to risks of changes in foreign currency exchange rates), credit risk and liquidity risk. The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports monthly to the Group's chief operating decision maker, which monitors risks and policies implemented to mitigate risk exposures.

Interest rate risk management

The Group is exposed to interest rate risk because the Group borrows funds, mostly at floating interest rates. The risk is managed by the Group through the use of interest rate swap contracts and caps interest rate contracts. Even though the Group cannot avail itself for hedge accounting under IAS 39 for lack of documentation, hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied, in compliance with the requirements of the SFA.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's net income (loss) for the year ended December 31, 2010 would decrease/increase by €5.5 million (2009: decrease/increase by €5.7 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

As of December 31, 2010

(in thousands of euros except interest rates)	Average contracted fixed interest rate	Notional principal amount	Expiration date	Fair value
BNP Paribas	3.84%	779 000	06/30/2011	(10 790)
Morgan Stanley	3.85%	779 000	06/30/2011	(10 790)
Total	**—**	**1 558 000**	**—**	**(21 580)**

As of December 31, 2009

(in thousands of euros except interest rates)	Average contracted fixed interest rate	Notional principal amount	Expiration date	Fair value
Calyon	4.07%	112 500	03/31/2010	(1 010)
BNP Paribas	3.84%	774 700	06/30/2011	(28 716)
Morgan Stanley	3.85%	796 000	06/30/2011	(29 192)
BNP Paribas	4.08%	225 000	03/31/2010	(2 029)
HSBC	4.07%	112 500	03/31/2010	(1 008)
BNP Paribas	3.84%	21 300	12/31/2010	(383)
Total	**—**	**2 042 000**	**—**	**(62 339)**

As of December 31, 2008

(in thousands of euros except interest rates)	Average contracted fixed interest rate	Notional principal amount	Expiration date	Fair value
Calyon	4.07%	187 500	03/31/2010	(3 041)
BNP Paribas	3.84%	524 000	06/30/2011	(22 421)
Morgan Stanley	3.85%	524 000	06/30/2011	(24 108)
BNP Paribas	4.08%	375 000	03/31/2010	(6 343)
HSBC	4.07%	187 500	03/31/2010	(3 121)
Calyon	2.98%	180 000	03/31/2009	(2)
Calyon	2.98%	120 000	03/31/2009	(1)
BNP Paribas	3.84%	49 300	12/31/2010	(680)
Total	**—**	**2 147 300**	**—**	**(59 718)**

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the Euribor 1-month or 3-month. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as fair value through profit or loss as they do not meet the criteria to be eligible to cash flow hedges under IAS 39, even though economically, their purpose is to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

Financial instruments that could potentially subject the Group to concentrations of counterparty risk consist primarily of trade receivables, cash and cash equivalents, investments and derivative financial instruments. Overall, the carrying amount of financial assets recognized in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

As mentioned in Note 17, the Group considers that it has an extremely limited exposure to concentrations of credit risk with respect to trade accounts receivable due to its large and diverse customer base (residential and public institutions) operating in numerous industries and located across France. In addition, the maximum value of the counterparty risk on these financial assets is equal to their recognized net book value. An analysis of credit risk on net trade receivables past due is provided in Note 17.

The Group's policy is to invest its cash, cash equivalents and marketable securities with financial institutions and industrial groups with a long-term rating of A-/A3 or above. The Group's enters into interest rate contracts with leading financial institutions and currently believes that the risk of these counterparties defaulting is extremely low, since their credit ratings are monitored and financial exposure to any one financial institution is limited.

However, in September 2008, Lehman Brothers filed for bankruptcy. Part of the Group's financial liabilities was hedged by interest rate swaps entered into with Lehman Brothers. As a result of the bankruptcy, Lehman Brothers defaulted on the swaps. Consequently, the swap with Lehman Brothers was terminated and the Group entered into a new interest-rate swap contract in order to meet the minimum hedge requirements set forth in the SFA, and negotiated new fixed to 1-month Euribor interest rate swap with BNP Paribas, Calyon and HSBC for an initial nominal amount of €750 million. There is currently a claim with Lehman Brothers, which represent a contingent gain of €15 million for the Company, not recognized as at December 31, 2010.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating

rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	December 31, 2010			
(in thousands of euros)	Less than 1 year	1-5 years	5+ years	Total
Financial liabilities under the Senior Facility Agreement	155 090	2 445 904	—	2 600 994
Perpetual subordinated notes	—	—	30 710	30 710
Financial liabilities under finance leases	5 779	8 652	1 226	15 657
Other financial liabilities	777	2 363	143 442	146 582
Total bonds and loans	**161 646**	**2 456 919**	**175 378**	**2 793 943**
Interest-rate derivatives	21 581	—	—	21 580
Deposits received from customers	—	50 712	—	50 712
Bank overdrafts	—	—	—	—
Total financial liabilities	**183 227**	**2 507 631**	**175 378**	**2 866 235**

	December 31, 2009			
(in thousands of euros)	Less than 1 year	1-5 years	5+ years	Total
Financial liabilities under the Senior Facility Agreement	131 949	1 967 259	763 331	2 862 539
Perpetual subordinated notes	—	—	28 684	28 684
Financial liabilities under finance leases	5 212	13 071	2 007	20 290
Other financial liabilities	1 021	2 736	134 224	137 981
Total bonds and loans	**138 182**	**1 983 066**	**928 246**	**3 049 495**
Interest-rate derivatives	4 431	57 908	—	62 339
Deposits received from customers	—	61 630	—	61 630
Bank overdrafts	—	—	—	—
Total financial liabilities	**142 613**	**2 102 604**	**928 246**	**3 173 463**

	December 31, 2008			
(in thousands of euros)	Less than 1 year	1-5 years	5+ years	Total
Financial liabilities under the Senior Facility Agreement	94 900	668 813	2 345 639	3 110 072
Perpetual subordinated notes	—	—	26 816	26 816
Financial liabilities under finance leases	4 736	17 182	2 767	24 685
Other financial liabilities	1 615	3 052	1 657	5 605
Total bonds and loans	**101 251**	**689 047**	**2 376 879**	**3 167 178**
Interest-rate derivatives	4	59 714	—	59 718
Deposits received from customers	—	90 480	—	90 480
Bank overdrafts	6 348	—	—	6 348
Total financial liabilities	**107 603**	**839 241**	**2 376 879**	**3 323 723**

The Group considers that its available cash and cash equivalent balances and the expected operating cash flows to be generated are sufficient to cover its operating expenses, capital expenditures and its financial debt requirements for the next twelve months.

24.4 Fair value of financial instruments

Valuation techniques and assumptions applied for the purposes of measuring fair value for derivative instruments

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

In accordance with the amendments to IFRS 7, the Group classifies its financial instruments measured at fair value into three levels (the fair value hierarchy), Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 fair value measurements have been used for interest-rate derivatives. There are no significant financial instruments for which level 1 or level 3 measurements have been used and no transfer of financial instruments between levels have occurred.

Fair value measurement other financial assets

Due to their short-term nature, the fair value of cash and cash equivalents, trade receivables and other current receivables and trade payables and other payables, approximates the net carrying amount.

Investments in non-consolidated entities are unquoted equity securities. As a result, their fair value cannot be measured reliably and accordingly, these investments are measured at cost.

Financial guarantees and collaterals

Under the SFA, the assets of the Group have been given as a collateral to the bank lenders.

25 RELATED PARTY TRANSACTIONS

The parent company of Ypso France SAS (hereinafter "the Company", being the legal entity Ypso France SAS) is Ypso Holding S.à.r.l. and the ultimate shareholders of the Group are a group of investment and private equity firms, Altice, Cinven and Carlyle.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Altice B2B France SAS and its wholly-owned subsidiary Completel SAS are controlled by the same group of shareholders and therefore are considered entities under common control for the purposes of related party disclosures.

25.1 Trading and financing transactions

During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods and rendering of services			Purchase of goods and services			Amounts owed by related parties			Amounts owed to related parties		
(in thousands of euros)	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**
Parent company												
Ypso Holding[1]	—	—	—	—	173	573	—	2	2	162 892	150 701	16 447
Shareholders[2]												
Cinven	—	—	—	516	509	653	—	—	—	628	472	1 196
Altice	—	—	—	3 159	10 830	1 931	—	—	—	—	11 000	7 160
Carlyle	—	—	—	500	500	375	—	—	—	875	625	375

	Sale of goods and rendering of services			Purchase of goods and services			Amounts owed by related parties			Amounts owed to related parties		
(in thousands of euros)	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**
Entities under common control												
Altice B2B SAS	—	—	—	—	—	—	—	—	—	—	—	—
Completel SAS	14 645	14 221	2 890	25 409	28 777	22 023	11 936	5 212	1 558	15 901	10 565	10 971
Associate												
Alsace Connexia Participation SAS	—	—	—	—	—	—	2 518	2 442	—	—	—	—

Our shareholders provided us with several subordinated shareholder financings.

As at December 31st, 2010, the Group owes a total amount of €162.9 million to Ypso Holding, its parent company, ultimately owned by our shareholders. This amount mainly includes:

- The "Coditel notes" issued in December 2009 following the restructuration of a portion of the Group debt in 2009. Coditel Notes amounted to €114.3 million as at December 31, 2010;

- The debt owed to Ypso Holding for €28.4 million as a shareholder loan as a result of the share capital increase that occurred in December 2009.

25.2 Related party relationships

(1) Relationships with our Shareholders

Relationships with Altice

On June 30, 2011, we completed the sale of Coditel Belgium and Coditel Luxembourg to a consortium of investors, including Altice, for a purchase price of €369.2 million.

On March 12, 2008, we entered into a service agreement (the "Altice Service Agreement") with Altice Services LLP ("Altice Services"), an affiliate of Altice, under which Altice Services undertook to provide us with consulting services with respect to technology, equipment purchasing, marketing, client management, information technology, financing, reporting, regulation and management. In consideration for these services, we undertook to pay Altice a fee based on the increase of our EBITDA and operating cash flow from year to year. We agreed with Altice Services to terminate this agreement with effect as of December 31, 2009. For the year ended December 31, 2010, we paid €13.4 million of fees to Altice Services pursuant to the Altice Service Agreement, in connection with services rendered in 2009.

Altice owns cable networks in the French West Indies (*Antilles*). We pay telephony termination fees to such networks for the calls originating from our subscribers to subscribers of such networks, and receive telephony termination fees from such networks for the calls originating from their subscribers to our subscribers.

Relationships with Carlyle

Sagemcom, one of our key suppliers of set-top boxes, was acquired by funds managed by Carlyle on August 17, 2011.

(2) Relationships with Completel

In September 2007, our shareholders, Altice and Cinven, acquired Completel, a voice and data service provider to corporate clients and a wholesale and DSL White Label provider to other telecommunication operators, which enabled us to gain access to Completel's DSL network and metropolitan fiber networks.

Our management manages Completel as well as our business, which may generate conflicts of interest, and causes our management to divide its attention between the two businesses. Please see "Risk Factors—Risks Relating to our Business—The interests of our shareholders may be inconsistent with the interests of the holders of the Notes, and the by-laws of our parent holding company and shareholders agreement impose operating and financial restrictions on our business".

Completel also owns a substantial part of the network we use to provide our services, including our network's backbone. For a description of the interaction between our network and Completel's network, please see "—Completel Network IRU Agreement" and "Business—Our Network".

Completel and our Group provide several other services to each other. The main contractual relationships between Completel and our Group are summarized below.

Framework Services Agreement

On January 28, 2009, Ypso France, Numericable SAS, NC Numericable SAS and Est Videocommunication SAS entered into a framework service agreement (the "Framework Service Agreement") with Completel and its controlling shareholder, Altice B2B SAS. The purpose of the Framework Service Agreement is to formalize certain relationships and transactions between the Completel Group and the Numericable Group, including with respect to (i) the lease of certain buildings and office space, (ii) legal, finance and accounting services, (iii) human resources management, (iv) sourcing (including joint orders of supplies and services). Services provided under the Framework Services Agreement are charged at cost, plus a margin.

The Framework Services Agreement was entered into for an initial term of one year, starting retroactively on January 1, 2008, and is automatically renewed for additional one-year terms, subject to the right of each party thereto to terminate it with a one-month notice.

Telephony Traffic Agreement

Numericable SAS, NC Numericable SAS and Est Videocommunication SAS entered into a telephony traffic agreement (the "Telephony Traffic Agreement") with Completel, pursuant to which Completel agreed to carry our telephony traffic to the customers of national and international networks accessible through Completel's network.

The Telephony Traffic Agreement was entered for an initial terms of five years, starting retroactively on January 1, 2010, and will be renewed for an indefinite term, subject to the right of each party thereto to terminate it with a six-month notice. It will also terminate automatically in case of change of control (as defined in the Telephony Traffic Agreement) of any party thereto.

For the initial term of the Telephony Traffic Agreement, we agreed to exclusively use Completel for the purpose of carrying our telephony traffic, with the exception of "On Net" traffic to Numericable customers (that we carry ourselves), traffic to Numericable-branded mobile phones (that is carried by Bouygues Telecom pursuant to our MVNO Agreement), and traffic to "special" numbers. Fees are based on the connection fees actually charged by other operators to Completel for the connection of calls originating from our clients to their respective networks, plus a margin.

Local Loop Access Agreement

Numericable SAS, NC Numericable SAS and Est Videocommunication SAS entered into a service agreement (the "Local Loop Access Agreement") with Completel, pursuant to which we agreed to give Completel access to our local loop fiber network, to connect Completel's professional customers to our network through dedicated fibers, and to provide maintenance services for the fibers made available to Completel.

The Local Loop Access Agreement was entered for a non-renewable term of 25 years, starting retroactively on January 1, 2010. It will also terminate automatically in case of change of control (as defined in the Local Loop Access Agreement) of any party thereto.

We charge Completel a one-time fixed fee for the connection of each of its professional customers to our local loop fiber network, and an annual fixed fee per customers for the maintenance of the fibers made available to Completel.

White Label Invoicing Agreement

Numericable SAS and NC Numericable SAS entered into an agreement (the "White Label Invoicing Agreement") with Completel, pursuant to which Completel agreed to invoice our White Label customers on our behalf. Under each of our three White Label agreements, Completel sends invoices including (i) a fee per subscriber, which depends on the type of package subscribed, (ii) the telephony charges and (iii) VOD charges on a monthly basis to the relevant White Label provider. By way of exception, digital television services provided to Darty customers are invoiced by Darty on behalf of Numericable, and paid directly by Darty to Numericable. In addition, Numericable directly invoices Darty for the delivery of set-top boxes.

The White Label Invoicing Agreement was entered for an initial term of one year, starting retroactively on January 1, 2010, and is automatically renewed for additional one-year terms, subject to the right of each party thereto to terminate it with a notice. It will also terminate automatically in case of change of control (within the meaning of Article L.233-3 of the French Commercial Code) of any party thereto.

(3) Relationships with Coditel

As part of the sale of Coditel Belgium and Coditel Luxembourg in June 2011, we entered into a services agreement and a trademark license agreement with Coditel Holding S.A. to ensure the continuity of its operations.

Services Agreement

On June 30, 2011, Numericable SAS entered into a services agreement (the "Coditel Services Agreement") with Coditel. Pursuant to the Coditel Services Agreement, we will continue to provide Coditel with all the services we were providing to it prior to its sale, including:

- VOD platform services and VOD content services;
- television, IP and voice engineering services;
- support and assistance in purchasing hardware and devices needed for its operations, in particular set-top boxes and software, modems, routers and mobile handsets, and also television and VOD content;
- delivery of television channels signals and existing data flows over our backbone;
- upgrade of Coditel's billing software; and
- continued support of Coditel's systems currently located in our premises or currently supported from our systems.

In consideration of the services provided, Coditel agreed to pay to us a total of €100,000 per year. In addition, Coditel will pay to us 10% of its monthly VOD revenues. In 2010, Coditel's VOD revenues amounted to approximately €720,000.

The initial term of the Coditel Services Agreement is six years and can thereafter be renewed for consecutive one-year periods, unless prior six months written notice to the contrary by either party. In addition, we can terminate the Services Agreement by giving six months prior written notice in the event that Coditel is acquired by one of our competitors.

Trade Mark License Agreement

On June 30, 2011, Coditel and Numericable also entered into a trademark license agreement (the "Trade Mark Agreement"). Pursuant to the Trade Mark Agreement, we will provide a license to Coditel to use our trademark "Numericable", registered under Ma14502, exclusively in Belgium and Luxembourg in relation to the offering, promotion and commercialization of television, Internet and telephone products and services. The license fee is included in the €100,000 annual fee under the Services Agreement. The Trade Mark Agreement terminates automatically on June 30, 2017, upon termination of all services under the Services Agreement or upon expiry of the Services Agreement. We may immediately terminate the Trade Mark Agreement in the event that Coditel is acquired by one of our competitors.

25.3 Compensation of key management personnel

The compensation of directors and other members of key management personnel (i.e. members of our Executive Committee) during the year was €1,920 thousand, €1,993 thousand and €2,599 thousand for 2010, 2009 and 2008 respectively. This amount only comprises short-term benefits such as wages, salaries and bonuses.

The Group does not have any share-based arrangement and employment benefits related to key management personnel are insignificant in aggregate (less than €50 thousand).

26 LEASES ARRANGEMENTS

26.1 The Group as a lessor

Finance leases

The Group has not contracted finance leases as a lessor.

Operating leases

Operating leases relate to the investment property owned by the Group and leased to other companies in the telecommunications industry including Completel SAS, an entity under common control, with lease terms of between 15 to 30 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to €40.9 million, €45.5 million and €12.0 million for 2010, 2009 and 2008 respectively.

Future minimum rental income under non-cancellable operating leases:

(in thousands of euros)	Future minimum rental income	
	December 31, 2010	**December 31, 2009**
Not later than 1 year	7 120	4 859
Later than 1 year and not later than 5 years	22 871	15 494
Later than 5 years	48 382	53 541
	78 432	**73 894**

26.2 The Group as a lessee

Finance leases

In October 2008, Numericable entered into a sale-and-leaseback transaction for modem and decoder equipment with Lease plan for €20 million. This sale-and-leaseback transaction resulted in a finance lease, and the excess of sales proceeds over the carrying amount, for an amount of €1.9 million has been deferred and amortized over the lease term, that is, 4 years.

In addition, the Group entered into various finance leases related to property, for which the lease term is generally between 20 and 30 years, and office equipment, for which the lease term is 4 years.

The most significant finance lease arrangements are the leaseback for modem and decoder equipment referred to above and the property lease for the headquarters offices of the Group in Champs-sur-Marne for which the Group has an option to purchase the property at the end of the lease term at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable.

All leases are denominated in euros. Certain property lease arrangements specify that at the beginning of the lease the annual payments will be set at a fixed amount, but in future years will be increased by a rate of inflation (i.e. a percentage increase).

(in thousands of euros)	Minimum lease payments			Present value of minimum lease payments		
	December 31, 2010	**December 31, 2009**	**December 31, 2008**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Not later than 1 year	6 673	6 453	6 485	6 047	5 847	5 878
Later than 1 year and not later than 5 years	8 625	14 298	20 112	7 823	11 735	15 286
Later than 5 years	174	844	1 482	137	844	1 482
	15 472	**21 594**	**28 079**	**14 007**	**18 427**	**22 646**
Less future finance charges	(1 451)	(3 168)	(5 433)	—	—	—
Present value of minimum lease payments	14 007	18 427	22 646	14 007	18 427	22 646
Financial liabilities related to finance leases—current portion				6 047	5 847	5 878
Financial liabilities related to finance leases—non-current portion				7 950	12 579	16 768

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate contracted is approximately 4.08% and 10.35% per annum for 2010 and 2009 respectively.

The fair value of financial liabilities related to finance leases approximates the carrying amount.

Operating leases

The Group also has property and vehicle lease commitments under operating leases. The lease term for property under operating leases is generally 3, 6 or 9 years, a standard lease term for commercial real estate in France. The lease term for vehicle under operating lease is 3 years.

As part of the networks business, leases involving equipment and networks IRU (usage rights on local loop, backbone) or other contracts with a rental (rights of way) were considered no materiality.

In connection with its entertainment business activities, the Group has also entered into operating leases and agreements to purchase TV programs.

Non-cancellable operating lease commitments amount to:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Not later than 1 year	4 156	5 638	5 572
Later than 1 year and not later than 5 years	6 285	15 837	14 162
Later than 5 years	1 533	11 120	10 542
	11 973	**32 594**	**30 276**

27 NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

This section provides details of the contents of the items relating to the activities of the Group in Belgium and Luxembourg classified as discontinued operations as reported in the Consolidated Statement of Income, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows.

As explained in Note 1, discontinued operations correspond to the Coditel subsidiaries in Belgium and Luxembourg.

Details of income statement items included in Discontinued Operations are as follows:

(in thousands of euros)	2010	2009	2008
Revenue	62 256	61 416	57 023
Operating income	42 290	29 149	19 527
Finance costs, net	(7 800)	(6 961)	(14 649)
Income tax expense	(3 252)	(6 669)	322
Net income (loss)	**31 237**	**15 519**	**5 200**

As at December 31, 2010, assets and liabilities held for sale are presented separately on the face of the balance sheet and may be analyzed as follows:

(in thousands of euros)

ASSETS	
Goodwill	210 195
Other intangible assets	1 852
Property, plant and equipment	43 142
Other non-current financial assets	71
Non-current assets	**225 260**
Inventories	539
Trade receivables and other receivables, net	11 100
Income tax receivable	—
Cash and cash equivalents	3 655
Current assets	**15 294**
TOTAL ASSETS	**270 554**
EQUITY AND LIABILITIES	
TOTAL EQUITY	**59 122**
Non-current portion of financial liabilities	156 735
Non-current provisions	2 137
Deferred tax liabilities	3 958
Other non-current liabilities	113
Non-current liabilities	**162 943**
Current portion of financial liabilities	18 765
Current provisions	—
Trade payables and other current liabilities	29 723
Current liabilities	**48 488**
TOTAL LIABILITIES	**211 432**
TOTAL EQUITY AND LIABILITIES	**270 554**

Details of cash flows from discontinued operations are as follows:

(in thousands of euros)	December 31, 2010	December 31, 2009	December 31, 2008
Net income from discontinued operations	**31 237**	**15 519**	**5 200**
Depreciation and amortization	4 858	9 603	10 860
Gains and losses on disposals	116	—	—
Other non-cash operating gains and losses	—	(11 046)	(5 321)
Net cash provided (used) by operating activities before changes in working capital, finance costs and income tax	**36 210**	**14 076**	**10 739**
Finance costs, net	7 828	7 015	15 498
Income tax paid	628	951	(149)
Changes in working capital	2 271	10 036	14 036
Net cash provided (used) by operating activities	**46 937**	**32 078**	**40 124**
Capital expenditures	(9 696)	(9 202)	(9 233)
Proceeds from disposal of tangible and intangible assets	147	46	—
Decrease (increase) in loans and other non-current financial assets	17	(23)	(1)
Cash expenditures for acquisition of consolidated and non-consolidated companies	—	(150)	—
Net cash provided (used) by investing activities	**(9 532)**	**(9 329)**	**(9 234)**
Issuance of debt	2 654		43
Repayment of debt	(17 035)	(14 998)	(11 199)
Interest paid	(7 828)	(7 015)	(15 992)
Net cash provided (used) by financing activities	**(22 209)**	**(22 012)**	**(27 148)**
Net cash flow from discontinued operations	**15 196**	**736**	**3 741**

28 COMMITMENTS AND CONTRACTUAL OBLIGATIONS

28.1 Commitments given

Guarantees in relation to the Senior Facility Agreement

As part of the SFA entered into by the subsidiaries of the Group (YPSO France SAS, Coditel Brabant, Altice France Est, Coditel SARL, Est Vidéocommunications, Numericable SAS and NC Numericable SNC), the following commitments were given to the lending banks:

- Compliance with financial covenants;
- Stable tax consolidation scope;
- Compliance with conditions governing the acquisition, disposal, use and control of assets.

All the assets of the Group's subsidiaries have been pledged to the banks. In addition to this financing arrangement, the Group has been required to enter into interest-rate swap contracts when the SFA was concluded to hedge the interest rate risk on a significant part of the financing as disclosed in Note 24.3. The overall hedging structure will remain in effect until December 31, 2011 and will change as the tranches of the SFA reach maturity and are repaid.

Commitments in relation to business operations

The Group is committed to build 75,000 connectors for a total amount of €4.5 million on behalf of the city of Le Havre, France.

To operate telecommunications networks, the Group requires needs licenses, authorizations or usage rights to infrastructure in the public and private domain. Consequently, the Group generally pays fees to the public administration in charge of managing the infrastructure (local authorities) or to the owners. In the course of its normal business activities, the company has also entered into outsourcing contracts, particularly for certain network maintenance services.

In 2010, the Group entered into several long-term MVNO agreements for voice and data transmission with Bouygues Telecom, pursuant to which we provide mobile telephony services to residential customers under our own brand but through the nationwide network of Bouygues Telecom. The agreements relating to voice transmission services are due to expire in 2017 and those relating to data transmission services are due to expire in 2013, and each of these will be automatically renewed unless otherwise notified by either party with six months' notice prior to their respective initial expiry dates. Pursuant to the final terms of each of these agreements, we are under an obligation to pay Bouygues Telecom a flat fee corresponding to a minimum level of consumption by our end-customers of the relevant voice or data transmission services.

Lease commitments in relation to business operations

As disclosed in Note 26, the Group has entered into various lease arrangements.

Contractual obligations

(in thousands of euros)	Maturity			Total December 31,	Total December 31,
	< 1 year	**1 - 5 years**	**> 5 years**	**2010**	**2009**
Loans and financial liabilities	183 226	2 507 631	175 378	2 866 235	3 173 463
Operating leases arrangements	4 156	6 285	1 533	11 973	32 594
Total	**187 382**	**2 513 916**	**176 911**	**2 878 208**	**3 206 057**

28.2 Commitments received

The Group has received a commitment of a total amount of €25 million from GDF Suez to subscribe to perpetual floating rate notes, which will provide financing for the construction of the Sipperec network. The Group has already received €23.8 million in principal from GDF Suez as at December 31, 2010.

29 SCOPE OF CONSOLIDATION

The entities included in the scope of consolidation are presented below:

Company and legal form of incorporation	Registered office	Consolidation method as of December 31			Percentage of control			Percentage of interest		
		2010	2009	2008	2010	2009	2008	2010	2009	2008
Ypso France SAS	10, rue Albert Einstein–77420 Champs-sur-Marne	Parent company			Parent company			100%	100%	100%
Numericable SAS	10, rue Albert Einstein–77420 Champs-sur-Marne	Full consolidation			100%	100%	100%	100%	100%	100%
Coditel SPRL (Belgium)	26, Rue des deux Eglises–1000 Bruxelles	Full consolidation (assets and liabilities held for sale)			100%	100%	100%	100%	100%	100%
Coditel Luxembourg SARL	283, Route d'Arlon L–8011 Strassen	Full consolidation (assets and liabilities held for sale)			100%	100%	100%	100%	100%	100%
EST Vidéocommunication	14 rue des Mercuriales–67450 Lampertheim	Full consolidation			100%	100%	100%	100%	100%	100%
NC Numéricâble SA (ex-NOOS SA)	10, rue Albert Einstein–77420 Champs-sur-Marne	Full consolidation			100%	100%	100%	100%	100%	100%
ENO SPRL (Belgium)	26, Rue des deux Eglises–1000 Bruxelles	Full consolidation			100%	100%	100%	100%	100%	100%
TME France SA	Fort de Tourneville–55, rue du 329ème—76600 Le Havre	Full consolidation			100%	100%	100%	100%	100%	100%
Coditel Debt (Luxembourg)	283, Route d'Arlon L–8011 Strassen	Full consolidation			100%	100%	100%	100%	100%	100%
Sequalum Participation	5, place de la pyramide–92800 Puteaux	Full consolidation		N/A	79,22%	79,22%	N/A	79,22%	79,22%	N/A
Sequalum SAS	5, place de la pyramide–92800 Puteaux	Full consolidation		N/A	79,22%	79,22%	N/A	79,22%	79,22%	N/A
Alsace Connexia Participation SAS	40-42 Quai du point du jour–92100 Boulogne	Equity method			38,15%	38,15%	38,15%	38,15%	38,15%	38,15%

30 SUBSEQUENT EVENTS

Disposal of Codital Belgium and Coditel Luxembourg

As at June 30, 2011 the Group completed the sale of the subsidiaries Coditel Belgium and Coditel Luxembourg to a consortium of investors including Apax Partners, Deficom and Altice (see Note 2.3).

France Telecom-Orange litigation relating to IRUs

We entered into four non-exclusive IRUs with France Telecom-Orange on May 6, 1999, May 18, 2001, July 2, 2004 and December 21, 2004, in connection with our acquisition of certain companies which operated cable networks built by France Telecom-Orange. These cable networks, accessible only through the civil engineering installations of France Telecom-Orange (mainly its ducts), are made available to us by France Telecom-Orange through these non-exclusive IRUs over such civil engineering installations. These IRUs each cover a different geographical area and were each entered into for a term of 20 years.

The ARCEP's decision 2008-0835 of July 24, 2008 required that France Telecom-Orange make a commercial offer to telecommunication operators pursuant to which such operators can to roll-out their own fiber networks in France Telecom-Orange's ducts. The terms of this mandatory commercial offer are more restrictive than the terms we benefit from under the France Telecom-Orange IRUs we are party to. As a result, France Telecom-Orange requested that the terms of our IRUs be modified so that the operational procedures set forth in these IRUs be aligned with those now observed by other telecommunication operators, especially with regards to the access to France Telecom-Orange's ducts for the purpose of maintaining and upgrading our network.

This issue was litigated and both the ARCEP and the Paris Court of Appeal ruled in favor of France Telecom-Orange on November 4, 2010 and June 23, 2011, respectively. We initiated in parallel proceedings against France Telecom-Orange before the Commercial Court of Paris on October 7, 2010 and before the International Court of Arbitration of the International Chamber of Commerce on October 21, 2010, the outcome of which are still pending, claiming €3.2 billion in damages for the modification of these IRUs.

Free and France Telecom-Orange litigations relating to an advertising campaign

Two separate claims were filed against Numericable SAS and NC Numéricable before the Commercial Court of Paris by telecommunications operators Free and France Telecom-Orange on August 3, 2011 and July 18, 2011, respectively, in relation to our spring 2011 advertising campaign entitled "The mobile revolution".

Free, who used the term "revolution" to refer to its forthcoming launch of mobile phone services and whose latest offering was named the "Freebox Revolution", argues that our campaign led to customer confusion and damaged its brand and image. Free claims damages in an amount of €10.0 million. The case is currently pending before the Paris commercial court. At a hearing before the Paris Commercial Court in October 2011, the marketing and unfair competition organization (Association Droit du Marketing et Concurrence Déloyale) voluntarily intervened in support of our case to maintain that "revolution" is a commonly used term for marketing purposes and that our campaign does not constitute a fault under unfair competition law.

France Telecom-Orange claims damages in an amount of €5.0 million arguing that our campaign was misleading and constituted unfair competition. We responded to this claim by asserting that our marketing campaign which did not refer to France Telecom-Orange, did not negatively impact it. The case is still pending before the Paris Commercial Court.

At the last hearing before the Paris Commercial Court in October 2011, an organization, *Association Droit du Marketing et Concurrence Déloyale* (Marketing regulations and unfair competition organization), voluntarily intervened in the case to support our position. According to the *Association,* the use of the word "revolution", a very common term, does not constitute a fault under unfair competition law.

31 EXPLANATION OF THE TRANSITION FROM FRENCH GAAP TO IFRS

This note describes the principles applied to prepare the opening IFRS balance sheet at January 1, 2008 and the differences compared to the French generally accepted accounting principles ("French GAAP") previously applied, as well as the effects of these differences on the 2008 opening and closing balance sheets and 2008 income statement.

31.1 Basis of preparation of the reconciliation schedules

Financial information for 2008 on the transition to IFRS was prepared in accordance with IFRS 1 *First-time Adoption of IFRS* ("IFRS 1") and the IAS/IFRS applicable at December 31, 2010, as published by the IASB at December 31, 2010 and adopted by the European Union on the same date.

Accounting standards include options relating to the measurement and recognition of assets and liabilities, both in respect of IFRS 1 and within the actual standards themselves. These options are described in Note 2.1 Significant Accounting Policies.

31.2 Description of the main adjustments from French GAAP to IFRS

Net income and equity reconciliation as of January 1, 2008 and December 31, 2008

(in thousands of euros)	Note	Equity as of January 1, 2008	Other reserves	2008 Net income	Equity as of December 31, 2008
		(amounts attributable to equity holders of the parent)			
Amount in accordance with French GAAP		**(861 823)**	**69 449**	**(157 815)**	**(950 189)**
Revenue—connection fees	A	(93)	—	(6 359)	(6 452)
Revenue—promotional offers	B	152	—	359	511
Classification of lease arrangements	C	(484)	—	1 943	1 459
Derecognition of intangible assets recognized under French GAAP	—	(1 897)	—	—	(1 897)
Amortization of goodwill	D	—	—	142 647	142 647
Derecognition of goodwill recognized under French GAAP	—	—	—	—	(4 071)
Financial liabilities at amortised cost	E	30 413	—	(3 815)	26 598
Reclassification of government grants	F	(9 255)	—	—	(9 255)
Interest-rate derivatives measured at fair value	G	28 532	—	(88 250)	(59 718)
Amount in accordance with IFRS		**(814 543)**	**69 449**	**(111 290)**	**(860 367)**

Description of the main adjustments from French GAAP to IFRS

All adjustments are presented before taxes and in millions of euro, unless otherwise noted.

A. Revenue—Connection fees (IAS 18)

Connection fees for business clients are all fees paid for the connection of the service to the Group's network from the client's premises. When they only allow to access the services and are sold associated to a service, such fees are recognized as they are earned under French GAAP. Under IFRS, according to IAS 18 *Revenue*, connection fees are amortized over the contractual engagement period.

As of January 1, 2008, the amount of connection fees to be recorded as deferred revenue amounts to €93 thousand. For the year ended December 31, 2008, amortization of connection fees resulted in a decrease in consolidated revenue of €6,359 thousand.

B. Revenue—Promotional offers (IAS 18)

Under IFRS, when a promotion not related to a customer's past consumption and purchases (such as subscription's rate discount, service free period) is offered to customer in relation to a subscription, the Group recognizes the total amount of billable revenue on a straight-line basis over the term of the contract provided that the Group has the enforceable and contractual right to deliver the customer with the products after the promotional free month period. If a promotion is not subordinated to the subscription to a contract including a non-cancellable period, the company recognizes revenues during the promotion's period up to the consideration received or receivable, as the customer's continuance is not assured. Under French GAAP, revenue is recognized during the promotion's period up to the consideration received or receivable. As a result, an amount of €152 thousand has been recognized through equity as of January 1, 2008. For the 2008 net income, the recognition of revenue on a straight-line basis results in an increase in revenue of €359 thousand.

C. Classification of certain lease arrangements (IAS 17)

Under IFRS, certain lease arrangements relating to offices and equipment have been analyzed as finance lease as a result of applying the criteria defined under IAS 17 *Leases*. Under French GAAP, these lease arrangements were analyzed as operating leases and need to be reclassified as finance lease under IFRS. As a result, the fair value of the leased assets have been recognized in the IFRS balance sheet for €1,688 thousand as of January 1, 2008 and the minimum lease payments have been recognized as a financial liability for €2,172 thousand. The amount for lease payments paid in 2008 has been allocated to an interest expense and an amortization expense related to the leased assets. The impact of the 2008 net income is €1,943 thousand.

D. Amortization of goodwill (IFRS 3)

In accordance with the exemption provided for in IFRS 1, the Group has opted not to restate past business combinations that occurred prior to January 1, 2008. Under IFRS 3 *Business Combinations*, goodwill is not amortized from January 1, 2008. This has led to a €142.6 million positive impact on 2008 net income. No additional impairment losses on goodwill have been recorded in the opening IFRS balance sheet at January 1, 2008 or the 2008 income statement.

E. Financial liabilities measured at amortized cost (IAS 39)

Under IFRS, transaction costs (including debt issuance costs) that are directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying value. Debt issuance costs are amortized over the debt term by the effective interest method (as opposed to the immediate recognition as a financial expense under French GAAP). The adjustments have affected the level of

financial expenses negatively due to the accounting for debt issuance costs under IFRS. The impact on shareholders' equity as of January 1, 2008 amounts to €30,413 thousand. For the 2008 net income, the application of the effective interest method resulted in an increase in interest expense of €3,815 thousand.

F. Presentation of government grants (IAS 20)

Under French GAAP, government grants related to certain assets have been presented as part of consolidated equity. Under IFRS, government grants related to assets have been presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. As mentioned in Note 3.11, grants are deducted from the cost of the related assets and recognized in the income statement, based on the pattern in which the related asset's expected future economic benefits are consumed, similar to the accounting treatment under French GAAP. The reclassification of government grants resulted in a decrease in equity as of January 1, 2008 for €9,255 thousand.

G. Derivatives used to manage interest rate exposure (IAS 39)

The Group enters into interest rate swaps and caps to manage its interest rate exposure. The objective is to convert variable interest rate financial instruments into fix interest rate financial instruments. These contracts do not qualify hedges for accounting purposes according to IAS 39. Changes in the fair value of any of these derivative instruments are recognized immediately in the income statement within financial income and expenses under IFRS whereas under French GAAP, these interest rate swaps are considered as off-balance sheet commitments. Changes in fair value of interest rate derivatives are reported under IFRSs as other assets and liabilities. Due to IAS 32 requirements on offsetting financial assets and liabilities, and depending on the instruments used, it is generally not possible to set off the balance sheet items (i.e. the financial liabilities) against the derivatives. Application of these rules leads to a significant increase in other assets and liabilities.

Accounting for derivative instruments in accordance with IAS 32 and 39 as discussed resulted in the following impacts:

- Recognition of a financial asset for €28,532 thousand with a corresponding increase in equity as of January 1, 2008

- Decrease in finance cost, net for €88,250 thousand as a result of the change in the interest rates which negatively affected the fair value of the interest-rate derivatives for the year ended December 31, 2008

H. Presentation of non-recurring income and expense (IAS 1)

The notion of non-recurring income and expenses does not exist under IAS 1 Presentation of financial statements resulting in a reclassification of a certain amount of non-recurring income and expense in the EBITDA and/or financial income. According to IFRS standards, the entity could choose whether to show the income statement by nature (personnel costs, general expenses, etc.) or by function (administrative costs, sales costs, etc.). The Group continues to present its income statement by nature of expense under IFRS.

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the partners of
Numéricable Finance & Co S.C.A. (registration pending)
13-15 avenue de la Liberté
L-1531 Luxembourg

We have audited the accompanying opening balance sheet of Numéricable Finance & Co S.C.A. (registration pending) as at 31 January 2012 and a summary of significant accounting policies and other explanatory information (collectively the "Opening Accounts"). The Opening Accounts have been prepared under the responsibility of the unlimited partner using the basis of preparation described in Note 2.

Unlimited partner's responsibility for the Opening Accounts

The unlimited partner is responsible for the preparation and fair presentation of the Opening Accounts in accordance with the basis of preparation described in Note 2. This includes determining that the basis of preparation is an acceptable basis for the preparation of the Opening Accounts in the circumstances, and for such internal control as the unlimited partner determines is necessary to enable the preparation of Opening Accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these Opening Accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Opening Accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Opening Accounts. The procedures selected depend on the judgement of the *réviseur d'entreprises agréé,* including the assessment of the risks of material misstatement of the Opening Accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the Opening Accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the unlimited partner, as well as evaluating the overall presentation of the Opening Accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Opening Accounts present fairly, in all material respects, the financial position of Numéricable Finance & Co S.C.A. (registration pending) as at 31 January 2012 in accordance with the basis of preparation described in Note 2.

Basis of Preparation

Without modifying our opinion, we draw attention to Note 2 to the Opening Accounts, which describes the basis of preparation. The Opening Accounts are prepared solely for the purpose of inclusion in the Offering Memorandum of Numéricable Finance & Co S.C.A. (registration pending) in relation to the issuance of a bond and are not suitable for any other purpose.

Deloitte Audit,
Société à responsabilité limitée, Cabinet de révision agréé

John Psaila, *Réviseur d'entreprises agréé*
Partner

2 February 2012

Opening Accounts as at 31 January 2012 (date of incorporation)

Numericable Finance & Co S.C.A (Registration Pending)

Société en commandite par action

Address of the registered office :
13-15, Avenue de la Liberté
L-1931 Luxembourg

R.C.S. Luxembourg : Registration Pending

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Numericable Finance & Co S.C.A (Registration Pending)
Société en commandite par action

Opening Balance Sheet as at incorporation date on 31 January 2012

Expressed in EUR	Note(s)	2012 EUR
ASSETS		
B. Formation expenses		**1,400.00**
D. Current assets		**31,000.00**
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand		31,000.00
TOTAL ASSETS		**32,400.00**
LIABILITIES		
A. Capital and reserves		**31,000.00**
I. Subscribed capital	3.1,3.3	31,000.00
C. Provision for liabilities and charges		**1,400.00**
3. Other provisions		1,400.00
TOTAL LIABILITIES		**32,400.00**

Numericable Finance & Co S.C.A (Registration Pending)
Société en commandite par action

Notes to the opening accounts as at incorporation date on 31 January 2012

NOTE 1—GENERAL INFORMATION

Numericable Finance & Co S.C.A (Registration Pending) (hereafter the 'Company') was incorporated on 31 January 2012 and organised under the laws of Luxembourg as a société en commandite par action for an unlimited. The registered office of the Company is established in L-1931 Luxembourg, 13-15, Avenue de la Liberté.

The corporate object of the Company is to enter into, perform and serve as a vehicle for, any securitization transactions.

The Company may enter into any transaction by which it acquires or assumes, directly or indirectly or through another entity, the risks relating to the holding or ownership of claims, receivables and/or other goods or assets (including securities of any kind, loan assets and real estate property), either movable or immovable, tangible or intangible, and/or risks relating to liabilities or commitments of third parties or which are inherent to all or part of the activities undertaken by third parties. The Company may assume or acquire these risks by acquiring, by any means, claims, receivables and/or assets. The method that will be used to determine the value of the securitized assets will be set out in the relevant issue documentation.

The Company may in particular carry out the securitization of mortgage loans (together with any accessory rights and entitlements relating thereto, such as security interests and other forms of collateral, including mortgages), by way of acquisition of the title or assumption of risks relating thereto from the entities having granted such loans or entities having subsequently acquired them.

Without prejudice to the generality of the foregoing, the Company may in particular:

(i) subscribe or acquire in any other appropriate manner any securities or financial instruments (in the widest sense of the word);

(ii) sell, transfer, assign, charge or otherwise dispose of its assets in such manner and for such compensation as Manager or any person appointed for such purpose shall approve at such time;

(iii) in the furtherance of its object, manage, apply or otherwise use all of its assets, securities or other financial instruments, and provide, within the limits of article 61(3) of the Securitization Law, for any kind of guarantees and security rights, by way of mortgage, pledge, charge, assignment or other means over the assets and rights held by the Company;

(iv) enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and any similar transactions. The Company may generally employ any techniques and instruments relating to investments for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks;

(v) issue bonds, notes or any other form of debt securities (including by way of participation interest) or equity securities the return or value of which shall depend on the risks acquired or assumed by the Company. The Company may lend funds including the proceeds of any borrowings and/or issues of securities, and provided such lending or such borrowing relates to securitization, transactions or to the enforcement of any of its rights under any receivable owned by it, to its subsidiaries, affiliated companies or to any other company to the extent related to the activities permitted above. The Company may hold bank accounts; and

(vi) enter into loan agreements as borrower within the scope of the Securitization Law, in particular in order to fund the acquisition or assumption of risks (i.e. prior to the issuance of any securities or, more generally, where the Company acts as acquisition entity), to comply with any payment or other obligation it has under any of its securities or any agreement entered into within the context of its activities.

The descriptions above are to be understood in their broadest sense and their enumeration is not limiting. The corporate object shall include any transaction or agreement which is entered into by the Company, provided it is not inconsistent with the foregoing enumerated objects.

The Company may take any measure to safeguard its rights and make any transactions whatsoever which are directly or indirectly connected with or useful for its purposes and which are able to promote their accomplishment or development.

The first financial year runs from 31 January 2012 (date of incorporation) to 31 December 2012.

At the time of this opening accounts, the registration of the Company with the Registre du Commerce et des Sociétés is still pending.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The annual accounts are prepared in accordance with Luxembourg legal and regulatory requirements and generally accepted accounting principles. Accounting policies and valuation rules are, besides the ones laid down by the Law, determined and applied by the Board of Directors.

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following :

2.2.1 Currency translation

The Company maintains its books and records in EUR. The balance sheet and the profit and loss account are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Formation expenses and long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historic exchange rates.

Other assets and liabilities are valued individualy at the lower, respectively the higher of their value at the historical exchange rate or their value determined at the exchange rates prevailing at the balance sheet date. Only unrealised exchange losses are recorded in the profit and loss account. Realised exchange gains are recorded in the profit and loss account at the moment of their realisation.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the period.

Other assets and liabilities are translated separately at the lower or at the higher of the value converted at the historic exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains are recorded in the profit and loss account at the moment of their realisation.

2.2.2 Formation expenses

Formation expenses are written off (straight line method of amortization) over a period of 5 years.

2.2.3 Intangible and tangible assets

Intangible and tangible assets are recorded at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off and value adjustments. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. The amortisations are calculated on a straight-line basis over the estimated useful economic life.

2.2.4 Financial assets

Shares in affiliated undertakings, participating interests and securities held as fixed assets are valued at purchase price including the expenses incidental thereto. In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Loans shown under 'Financial assets' are recorded at their nominal value. A value adjustment is recorded where the recovery value is lower than the nominal value.

2.2.5 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

NOTE 3—CAPITAL

3.1. Subscribed capital

The Company was incorporated on 31 January 2012 with a subscribed and fully paid-up capital of EUR 31,000 divided into 30,999 limited shares (actions de commanditaires) (the Limited Shares) and one unlimited share (actions de commandité) (the Unlimited Share), with a nominal value of 1EUR per share.

All the shares are fully paid-up.

3.2. Legal reserve

In accordance with luxembourg law, the Company is required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

3.3. Movement for the period

(EUR)	Share premium	Subscribed capital	Legal reserve	Other reserves	Result brought forward	Result for the year
At the beginning of the period	—	—	—	—	—	—
Movements for the period						
—Allocation of prior year's result	—	—	—	—	—	—
—Dividends distribution	—	—	—	—	—	—
—Result of the period	—	—	—	—	—	—
—Other movements	—	31,000.00	—	—	—	—
At the end of the period	**—**	**31,000.00**	**—**	**—**	**—**	**—**

ANNEX A

€3,225,000,000

SENIOR FACILITY AGREEMENT

dated 6 June 2006
(as amended and restated on 18 July 2006, 28 July 2006 and 2 March 2007, as amended by a letter dated 24 June 2008, as amended and restated on 9 December 2009 and 8 September 2011 and as amended by a letter dated 12 January 2012 and accepted by the Agent on 24 January 2012 and amended most recently by a letter dated 25 September 2012 and accepted by the Agent on 12 October 2012)

between

YPSO HOLDING SA
as Parent

YPSO FRANCE SAS (formerly named ENO FRANCE SAS)
CODITEL BRABANT SPRL
ALTICE FRANCE EST SAS
CODITEL SàRL
EST VIDEOCOMMUNICATION SAS
NUMÉRICÂBLE SAS
NC NUMÉRICÂBLE SNC
as Original Borrowers
and Original Guarantors

BNP PARIBAS, CALYON, LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH and MORGAN STANLEY BANK INTERNATIONAL LIMITED
as Mandated Lead Arrangers

BNP PARIBAS
as Agent
BNP PARIBAS
as Security Agent
and
THE LENDERS

Linklaters

Ref: NH/LH

CONTENTS

THE SCHEDULES

THIS AGREEMENT is dated 6 June 2006 (as amended and restated on 18 July 2006, 28 July 2006, 2 March 2007, 9 December 2009 and on the Fifth Amendment Agreement Effective Date) and made between:

(1) YPSO HOLDING SA (formerly named ENOLUX1 SàRL), a Luxembourg *société anonyme* with registered office at 8-10 rue Mathias Hardt, L-1717 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under no. B 110.644 and to whose corporate capital is €1,049,500 (the "**Parent**");

(2) YPSO FRANCE SAS (formerly named ENO FRANCE SAS), a French *société par actions simplifiée* with a share capital of €1,037,000 having its registered office at 23, rue du Roule, 75008 Paris, France, registered with the Commercial Register of Paris under no. 484 348 131 (the "**Company**");

(3) CODITEL BRABANT SPRL, a Belgian *société privée à responsabilité limitée* with a share capital of €600,000, having its registered office at 26, rue des Deux Eglises, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under no. 403 107 452 ("**Coditel Brabant**");[(1)]

(4) ALTICE FRANCE EST SAS, a French *société par actions simplifiée* with a share capital of €23,274,900 having its registered office at 14, rue des Mercuriales, 67450 Lampertheim, France, registered with the Commercial Register of Strasbourg under no. 443 698 071 ("**AFE**");[(2)]

(5) CODITEL S.àR.L., a Luxembourg *société à responsabilité limitée* incorporated under the laws of Luxembourg as a S.àR.L. with registered office at 283, route d'Arlon, L-8011 Strassen, Luxembourg, registered with the Luxembourg Register of Commerce and Companies under no. B 112.067 and whose corporate capital is €1,031,000 ("**Coditel S.àR.L.**");[(3)]

(6) EST VIDEOCOMMUNICATION SAS, a French *société par actions simplifiée* with a share capital of €122,495,760 having its registered office at 14, rue des Mercuriales, 67450 Lampertheim, France, registered with the Commercial Register of Strasbourg under no. 345 347 397 ("**Est Videocom**");

(7) NUMÉRICÂBLE SAS, a French *société par actions simplifiée* with a share capital of €16,849,995, having its registered office at 12/16 rue Guynemer, 92445 Issy Les Moulineaux, registered with the Commercial Register of Nanterre under no. 379 229 529 RCS Nanterre ("**Numéricâble SAS**");

(8) NC NUMÉRICÂBLE SNC, a French *société en nom collectif* with a share capital of €22,500,000, having its registered office at 12/16 rue Guynemer, 92445 Issy Les Moulineaux, registered with the Commercial Register of Nanterre under no. 330 166 711 RCS Nanterre ("**NC Numéricâble**" and, together with the Company, Coditel Brabant, AFE, Coditel S.àR.L., Est Videocom and Numéricâble SAS, the "**Original Borrowers**" and each an "**Original Borrower**");

(9) BNP PARIBAS, a *société anonyme*, with a share capital of €1.769.400.888, organised and existing under the laws of the French Republic, whose registered office is at 16, boulevard des Italiens, 75009 Paris, registered with the Commercial Register of Paris under no. 662 042 449 RCS Paris, CALYON, a *société anonyme*, with a share capital of €3.119.771.484, organised and existing under the laws of the French Republic, whose registered office is at 9 Quai President

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(1) Resigned as an Obligor on 30 June 2011 and was disposed of on the same date.

(2) Merged into Ypso France SAS on 20 March 2007.

(3) Resigned as an Obligor on 30 June 2011 and was disposed of on the same date.

Paul Doumer, 92400 Courbevoie, registered with the Commercial Register of Nanterre under no. 304 187 701 RCS Nanterre, LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH, a German corporation whose London Branch is at 25 Bank Street, London E14 5LE and which is registered as a branch with the Companies Registry under no. FC02350 and MORGAN STANLEY BANK INTERNATIONAL LIMITED, a limited liability company incorporated under the laws of England and Wales with its registered office at 25 Cabot Square, Canary Wharf, London E14 4QA, England, registered under no. 03722571 with Companies Registry (each a "**Mandated Lead Arranger**" and together, the "**Mandated Lead Arrangers**");

(10) BNP PARIBAS, a *société anonyme*, with a share capital of €1.769.400.888, organised and existing under the laws of the French Republic, whose registered office is at 16, boulevard des Italiens, 75009 Paris, registered with the Commercial Register of Paris under no. 662 042 449 RCS Paris (as agent for and on behalf of the Finance Parties, the "**Agent**");

(11) BNP PARIBAS, a *société anonyme*, with a share capital of €1.769.400.888, organised and existing under the laws of the French Republic, whose registered office is at 16, boulevard des Italiens, 75009 Paris, registered with the Commercial Register of Paris under no. 662 042 449 RCS Paris (as security agent for and on behalf of the Finance Parties, the "**Security Agent**"); and

(12) THE LENDERS (as defined below).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following terms have the following meanings.

"**2009 Amendment Costs**" means any fees, costs, expenses, stamp, registration and other taxes incurred by the Company or any of its Subsidiaries in connection with the Fourth Amendment Agreement up to a maximum amount of €25,000,000.

"**2011 Consent Request**" means the amendment and waiver request sent by the Company to the Agent on 1 August 2011.

"**2011 Consent Time**" means the date on which the required consents to the 2011 Consent Request were obtained, being 22 August 2011.

"**2011 Extension Effective Date**" means the date on which the Agent confirms to the Company in writing that each of the conditions set out in Schedule 22 (*Conditions to the occurrence of the 2011 Extension Effective Date*) has been satisfied (which the Agent must do promptly upon being satisfied that such is the case), provided that if such conditions are not satisfied by 15 February 2012 the 2011 Extension Effective Date will not occur.

"**Acceptable Hedging Agreement**" means a Hedging Agreement entered into on the terms of the International Swaps & Derivatives Association Inc. 1992 Master Agreement (Multicurrency-Cross Border) under which:

(a) "Second Method" and "Market Quotation" are specified as the payment method applicable;

(b) no additional rights of set-off beyond those contained in this Agreement are specified;

(c) no election for Automatic Early Termination is made; and

(d) the governing Law is English Law.

"**Accession Date**" means the date on which an Accession Document is executed by an Additional Obligor.

"**Accession Document**" means an agreement substantially in the form set out in Schedule 13 (*Accession Document*) under which a Subsidiary becomes a Guarantor and/or a Borrower and becomes a party to the Intercreditor Agreement.

"**Accountants' Report**" means the report referred to in paragraph 2(c) of Part III of Schedule 3 (*Conditions Precedent*).

"**Acquisition**" means the acquisition of the shares in the Target pursuant to the Acquisition Documents.

"**Acquisition Agreement**" means the agreement entitled "Agreement for the sale and purchase of the share capital of UPC France" dated on or about the date of this Agreement made between UPC Broadband France SAS, UPC Broadband Holding B.V., Altice France Est and Eno France SAS.

"**Acquisition Certain Funds Period**" means the period from and including the Acquisition Commitment Date to and including the date falling 220 days after the Commitment Date.

"**Acquisition Closing Date**" means the date of completion of the Acquisition and on which all conditions precedent to the Utilisation of the A (Acq) Facility, the B (Acq) Facility and the Second Lien (Acq) Facility have been fulfilled or waived, on the terms set out in this Agreement.

"**Acquisition Commercial Report**" means the report referred to in paragraph 2(a) of Part III of Schedule 3 (*Conditions Precedent*).

"**Acquisition Commitment Date**" means the date on which the Agent confirms to the Company that the Mandated Lead Arrangers (acting reasonably) are satisfied with the form of the documents to be delivered pursuant to paragraphs 2 and 4(a) as well as a draft of the Transitional Services Agreement between UPC Broadband Operations BV and certain Subsidiaries of the Target in Part III of Schedule 3 (*Conditions Precedent*).

"**Acquisition Documents**" means the Acquisition Agreement and the "Trade Mark Licences" and the "Disclosure Letter" (in each case as defined in the Acquisition Agreement), and all documents executed pursuant or in relation to any of the foregoing and any other document designated as an "**Acquisition Document**" by the Agent and the Company in writing.

"**Acquisition Legal Report**" means the report referred to in paragraph 2(e) of Part III of Schedule 3 (*Conditions Precedent*).

"**Acquisition Reports**" means the Acquisition Commercial Report, the Accountants' Report, the Tax Structure Report, the Technical Report and the Acquisition Legal Report.

"**Additional Revolving Facility Utilisation**" means an Additional Revolving Facility Advance or a Letter of Credit.

"**Additional Amount**" has the meaning set out in Clause 12.1(c) (*Tax Gross-up*).

"**Additional Borrower**" means any company which becomes an Additional Borrower in accordance with Clause 24.12 (*Changes to Obligors*).

"**Additional Cash Interest Rate**" has the meaning given to it in paragraph (d) of Clause 9.7 (*Margin Ratchet for A Facility Advances, B Facility Advances, C Facility Advances, Capital Investment Facility Advances and Additional Cash Interest Rate*).

"**Additional Cost Rate**" has the meaning given to it in Schedule 5 (*Mandatory Cost Formulae*).

"**Additional Guarantor**" means any company which becomes an Additional Guarantor in accordance with Clause 24.12 (*Changes to Obligors*).

"**Additional Obligor**" means an Additional Borrower and/or an Additional Guarantor, as the case may be.

"**Additional B/C Facility Prepayment**" has the meaning given to it in paragraph (c) of Clause 8.3 (*Proceeds of Senior Subordinated Notes and C (Additional Senior Financing) Facility Advances*).

"**Additional Revolving Facility**" means the senior uncommitted multicurrency revolving credit facility which may be granted to the Company in one or more tranches in accordance with Clause 2.1(g) (*The Facilities*) and Clause 2.8 (*Additional Revolving Facility*), which may be designated as Ancillary Facilities in accordance with 2.11 (*Ancillary Facilities*).

"**Additional Revolving Facility Advance**" means each advance (as from time to time reduced by repayment) made or to be made by any Additional Revolving Facility Lenders under the relevant Additional Revolving Facility Tranche.

"**Additional Revolving Facility Commitment**" means, in relation to an Additional Revolving Facility Lender at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) to the relevant Additional Revolving Facility Commitment Letter or as specified in the Transfer Certificate pursuant to which such Additional Revolving Facility Lender becomes a party hereto.

"**Additional Revolving Facility Commitment Date**" means each date specified as an Additional Revolving Facility Commitment Date in an Additional Revolving Facility Commitment Letter.

"**Additional Revolving Facility Commitment Letter**" means a letter from the Company to the Agent in the form set out in Schedule 18 (*Additional Revolving Facility Commitment Letter*).

"**Additional Revolving Facility Lender**" means any Lender under the Additional Revolving Facility.

"**Additional Revolving Facility Margin**" means, in relation to any Additional Revolving Facility Advance, the margin specified in the applicable Additional Revolving Facility Commitment Letter.

"**Additional Revolving Facility Outstandings**" means, in respect of the Additional Revolving Facility or any Additional Revolving Facility Tranche at any time, the aggregate principal amount of the Additional Revolving Facility Utilisations outstanding under the Additional Revolving Facility or (as applicable) that Additional Revolving Facility Tranche at that time.

"**Additional Revolving Facility Tranche**" means a tranche under the Additional Revolving Facility provided by the relevant Additional Revolving Facility Lenders under an Additional Revolving Facility Commitment Letter.

"**Additional Revolving Facility Utilisation**" means, in respect of any Additional Revolving Facility Tranche, each Additional Revolving Facility Advance under that Additional Revolving Facility Tranche and each drawing under that Additional Revolving Facility Tranche by way of a Letter of Credit.

"**Administrative Obligations**" means any on-going liabilities or obligations of the Company in respect of payment:

(a) of costs related to the Acquisition, including all Taxes, legal fees, management and/or directors' fees and auditors' fees; and

(b) of other monitoring, oversight and financial advisory fees (provided that such monitoring, oversight and financial advisory fees shall not exceed €2,000,000 per financial year); and

(c) to the Parent of an amount equal to the costs associated with the operation of the Parent, any Senior Subordinated Issuer and any Senior Subordinated Issuer GP, limited to reasonable

costs required to maintain their corporate existence, the Parent's ownership of its Subsidiaries and any Senior Subordinated Issuer and any Senior Subordinated Issuer GP and as may be required to establish Tax jurisdiction in Luxembourg (including maintenance of an office or comparable presence in Luxembourg and employees or staff paid by Luxembourg resident entities), provided that the aggregate of the fees and costs in (b) and (c) hereof shall not exceed €3,000,000 per financial year.

"**Advance**" means, save as otherwise provided herein, an A Facility Advance, a B Facility Advance, a C Facility Advance, a Second Lien Facility Advance or a Capital Investment Facility Advance or an Additional Revolving Facility Advance as the context may require.

"**Advance Buy-Back**" means any acquisition (by means of any transfer, novation or assignment) of any Outstandings by the Parent, provided that:

(a) the consideration for such acquisition is (directly or indirectly) satisfied from Permitted Funding Sources;

(b) such acquisition is made through a Qualifying Auction unless it is a transfer of Outstandings to the Parent made at the direction of one or more Equity Sponsors;

(c) the Outstandings so acquired are immediately transferred by the Parent to Coditel Debt in accordance with Clause 32 (*Assignments and Transfers*); and

(d) to the extent the Outstandings acquired are not already the subject of a Deed Poll, the Parent and Coditel Debt shall execute and deliver to the Agent a Deed Poll in respect thereof.

"**A Facility**" means the A (Recap) Facility and the A (Acq) Facility in a maximum aggregate principal amount of €810,000,000 (reduced to €685,000,000 as from the Reallocation Date in accordance with Clause 2.5 (*Reallocation of the A (Acq) 1 Facility*) of this Agreement).

"**A Facility Advance**" means an A (Recap) Facility Advance or an A (Acq) Facility Advance, as the case may be.

"**A Facility Commitment**" means, in relation to a Lender, at any time, an A (Recap) Facility Commitment or an A (Acq) Facility Commitment.

"**A Facility Lender**" means any Lender under the A Facility.

"**A Facility Margin**" means, in relation to A Facility Advances, and subject to Clause 9.7 (*Margin Ratchet for A Facility Advances, B Facility Advances, C Facility Advances, Capital Investment Facility Advances and Additional Cash Interest Rate*), 2.125% per annum.

"**A Facility Outstandings**" means, at any time, the aggregate principal amount of the A (Recap) Facility Outstandings and the A (Acq) Facility Outstandings.

"**A (Recap) Facility**" means the A (Recap) 1 Facility and the A (Recap) 2 Facility in a maximum principal amount of €400,000,000.

"**A (Recap) Facility Advance**" means an A (Recap) 1 Facility Advance or an A (Recap) 2 Facility Advance, as the case may be.

"**A (Recap) Facility Commitment**" means, in relation to a Lender, at any time, an A (Recap) 1 Facility Commitment or an A (Recap) 2 Facility Commitment.

"**A (Recap) Facility Outstandings**" means, at any time, the aggregate principal amount of the A (Recap) 1 Facility Outstandings and the A (Recap) 2 Facility Outstandings.

"**A (Recap) 1 Facility**" means the term loan facility in a maximum principal amount of €385,400,000 granted to the Borrowers pursuant to Clause 2.1(a) (*The Facilities*). For certain purposes

only, the A (Recap) 1 Facility shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into the "**A (Recap) 1-I Facility**" and the "**A (Recap) 1-II Facility**" whereby:

(i) the Extending Lenders under the A (Recap) 1 Facility shall be deemed to participate in the A (Recap) 1-II Facility for an amount equal to the portion of their A (Recap) 1 Facility Commitments for which they are Extending Lenders, together with any other Lender which has acquired an A (Recap) 1 Facility Commitment in respect of the A (Recap) 1-II Facility, to the extent of such A (Recap) 1 Facility Commitments so acquired; and

(ii) the Extending Lenders under the A (Recap) 1 Facility referred to in paragraph (i) above shall be deemed to participate in the A (Recap) 1-I Facility for an amount equal to the portion of their A (Recap) 1 Facility Commitments for which they are not Extending Lenders and the Lenders which are not Extending Lenders which have A (Recap) 1 Facility Commitments shall be deemed to participate in the A (Recap) 1-I Facility for an amount equal to their A (Recap) 1 Facility Commitments, together with any other Lender which has acquired an A (Recap) 1 Facility Commitment in respect of the A (Recap) 1-I Facility, to the extent of such A (Recap) 1 Facility Commitments so acquired.

"**A (Recap) 1 Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the A (Recap) 1 Facility or arising in respect of the A (Recap) 1 Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*). For certain purposes only, each A (Recap) 1 Facility Advance shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into an "**A (Recap) 1-I Facility Advance**" and an "**A (Recap) 1-II Facility Advance**" whereby:

(i) the Extending Lenders which participate in the A (Recap) 1 Facility Advance (together with any other Lender which has acquired an A (Recap) 1 Facility Commitment in respect of the A (Recap) 1-II Facility, to the extent of such A (Recap) 1 Facility Commitments so acquired) shall be deemed to participate in the corresponding A (Recap) 1-II Facility Advance to the extent of their A (Recap) 1 Facility Commitments in respect of the A (Recap) 1-II Facility; and

(ii) the Lenders (including the Extending Lenders) which participate in the relevant A (Recap) 1 Facility Advance (together with any other Lender which has acquired an A (Recap) 1 Facility Commitment in respect of the A (Recap) 1-I Facility, to the extent of such A (Recap) 1 Facility Commitments so acquired) shall be deemed to participate in the corresponding A (Recap) 1-I Facility Advance to the extent of their A (Recap) 1 Facility Commitments in respect of the A (Recap) 1-I Facility.

"**A (Recap) 1 Facility Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**A (Recap) 1 Facility Outstandings**" means, at any time, the aggregate principal amount of the A (Recap) 1 Facility Advances outstanding hereunder, or, with effect from the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the A (Recap) 1-I Facility Outstandings and the A (Recap) 1-II Facility Outstandings.

"**A (Recap) 1-I Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the A (Recap) 1-I Facility Advances outstanding hereunder.

"**A (Recap) 1-II Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the A (Recap) 1-II Facility Advances outstanding hereunder.

"**A (Recap) 2 Facility**" means the term loan facility in a maximum principal amount of €14,600,000 granted to the Borrowers pursuant to Clause 2.1(a) (*The Facilities*).

"**A (Recap) 2 Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the A (Recap) 2 Facility or arising in respect of the A (Recap) 2 Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*).

"**A (Recap) 2 Facility Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**A (Recap) 2 Facility Outstandings**" means, at any time, the aggregate principal amount of the A (Recap) 2 Facility Advances outstanding hereunder.

"**A (Acq) Facility**" means the A (Acq) 1 Facility and the A (Acq) 2 Facility in a maximum principal amount of €410,000,000 (reduced to €285,000,000 as from the Reallocation Date in accordance with Clause 2.5 (*Reallocation of the A (Acq) 1 Facility*) of this Agreement).

"**A (Acq) Facility Advance**" means an A (Acq) 1 Facility Advance or an A (Acq) 2 Facility Advance, as the case may be.

"**A (Acq) Facility Commitment**" means, in relation to a Lender, at any time, an A (Acq) 1 Facility Commitment or an A (Acq) 2 Facility Commitment as the case may be.

"**A (Acq) Facility Outstandings**" means, at any time, the aggregate principal amount of the A (Acq) 1 Facility Outstandings and the A (Acq) 2 Facility Outstandings.

"**A (Acq) 1 Facility**" means the term loan facility in a maximum principal amount of €355,500,000 (reduced to €230,500,000 as from the Reallocation Date in accordance with Clause 2.5 (*Reallocation of the A (Acq) 1 Facility*) of this Agreement) granted to the Borrowers pursuant to Clause 2.1(a) (*The Facilities*). For certain purposes only, the A (Acq) 1 Facility shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into the "**A (Acq) 1-I Facility**" and the "**A (Acq) 1-II Facility**" whereby:

(i) the Extending Lenders under the A (Acq) 1 Facility shall be deemed to participate in the A (Acq) 1-II Facility for an amount equal to the portion of their A (Acq) 1 Facility Commitments for which they are Extending Lenders, together with any other Lender which has acquired an A (Acq) 1 Facility Commitment in respect of the A (Acq) 1-II Facility, to the extent of such A (Acq) 1 Facility Commitments so acquired); and

(ii) the Extending Lenders under the A (Acq) 1 Facility referred to in paragraph (i) above shall be deemed to participate in the A (Acq) 1-I Facility for an amount equal to the portion of their A (Acq) 1 Facility Commitments for which they are not Extending Lenders and the Lenders which are not Extending Lenders which have A (Acq) 1 Facility Commitments shall be deemed to participate in the A (Acq) 1-I Facility for an amount equal to their A (Acq) 1 Facility Commitments, together with any other Lender which has acquired an A (Acq) 1 Facility Commitment in respect of the A (Acq) 1-I Facility, to the extent of such A (Acq) 1 Facility Commitments so acquired.

"**A (Acq) 1 Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the A (Acq) 1 Facility or arising in respect of the A (Acq) 1

Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*). For certain purposes only, each A (Acq) 1 Facility Advance shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into an "**A (Acq) 1-I Facility Advance**" and an "**A (Acq) 1-II Facility Advance**" whereby:

(i) the Extending Lenders which participate in the A (Acq) 1 Facility Advance (together with any other Lender which has acquired an A (Acq) 1 Facility Commitment in respect of the A (Acq) 1-II Facility, to the extent of such A (Acq) 1 Facility Commitments so acquired) shall be deemed to participate in the corresponding A (Acq) 1-II Facility Advance to the extent of their A (Acq) 1 Facility Commitments in respect of the A (Acq) 1-II Facility; and

(ii) the Lenders (including the Extending Lenders) which participate in the relevant A (Acq) 1 Facility Advance (together with any other Lender which has acquired an A (Acq) 1 Facility Commitment in respect of the A (Acq) 1-I Facility, to the extent of such A (Acq) 1 Facility Commitments so acquired) shall be deemed to participate in the corresponding A (Acq) 1-I Facility Advance, to the extent of their A (Acq) 1 Facility Commitments in respect of the A (Acq) 1-I Facility.

"**A (Acq) 1 Facility Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**A (Acq) 1 Facility Outstandings**" means, at any time, the aggregate principal amount of the A (Acq) 1 Facility Advances outstanding hereunder, or, with effect from the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the A (Acq) 1-I Facility Outstandings and the A (Acq) 1-II Facility Outstandings.

"**A (Acq) 1-I Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the A (Acq) 1-I Facility Advances outstanding hereunder.

"**A (Acq) 1-II Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the A (Acq) 1-II Facility Advances outstanding hereunder.

"**A (Acq) 2 Facility**" means the term loan facility in a maximum principal amount of €54,500,000 granted to the Borrowers pursuant to Clause 2.1(a) (*The Facilities*).

"**A (Acq) 2 Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the A (Acq) 2 Facility or arising in respect of the A (Acq) 2 Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*).

"**A (Acq) 2 Facility Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**A (Acq) 2 Facility Outstandings**" means, at any time, the aggregate principal amount of the A (Acq) 2 Facility Advance outstanding hereunder.

"**Affiliate**" means, in relation to a person, any other person directly or indirectly controlling, controlled by or under direct or indirect common control with that person, and for the purposes of this definition only "**control**" shall be construed so as to include the ownership, either directly or indirectly and legally or beneficially, of more than 50% of the issued share capital of a company or the ability to

control, either directly or indirectly, the affairs or the composition of the board of directors (or equivalent thereof) of a company and "**controlling**", "**controlled by**" and "**under common control with**" shall be construed accordingly.

"**Agent's Spot Rate of Exchange**" means, in relation to two currencies, the Agent's spot rate of exchange for the purchase of the first mentioned currency with the second mentioned currency in the Paris foreign exchange market at or about 11.00 am on a particular day.

"**Agreed Base Case**" means the base case model for the Group in form and substance satisfactory to the Mandated Lead Arrangers and as amended from time to time with the consent of the Agent (acting on the instructions of the Instructing Group).

"**Agreed Security Principles**" means the security principles set out in Schedule 9 (*Agreed Security Principles*).

"**Amended Finance Documents**" means the Amendment and Restatement Agreement, the Intercreditor Amendment and Restatement Agreements and any other Finance Document which has been or will be amended in connection with the Refinancing.

"**Amendment and Restatement Agreement**" means the amendment and restatement agreement dated 2 March 2007 amending and restating this Agreement.

"**Ancillary Commitment**" means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum Base Currency Amount from time to time agreed (whether or not subject to satisfaction of conditions precedent and whether or not utilised) to be made available by that Ancillary Lender under an Ancillary Facility and authorised under Clause 2.11 (*Ancillary Facilities*), to the extent not cancelled or reduced under this Agreement.

"**Ancillary Facility**" means an ancillary facility made available by an Ancillary Lender in accordance with Clause 2.11 (*Ancillary Facilities*).

"**Ancillary Facility Document**" means a document setting out the terms of an Ancillary Facility.

"**Ancillary Facility Request**" means a notice substantially in the form set out in Schedule 26 (*Ancillary Facility Request*).

"**Ancillary Lender**" means an Additional Revolving Facility Lender which agrees to make available an Ancillary Facility in accordance with Clause 2.11 (*Ancillary Facilities*).

"**Ancillary Outstandings**" means, at any time and in relation to an Ancillary Facility, the aggregate (calculated in the Base Currency) of the following amounts outstanding at that time under that Ancillary Facility:

(a) all amounts of (or equivalent to) principal then outstanding under any overdraft, cheque clearing, automatic payment or other current account facility;

(b) the maximum potential liability under all guarantees, bonds and letters of credit issued under that Ancillary Facility;

(c) in relation to any derivative transaction entered into for protection against or benefit from fluctuation in any rate or price, the marked to market value of the Ancillary Lender's exposure under that transaction; and

(d) in relation to any other Ancillary Facility, such other amount as fairly represents the aggregate exposure of the Ancillary Lender under that Ancillary Facility,

after deducting any credit balance which the Ancillary Lender and/or its Affiliates is able (in accordance with the applicable Ancillary Facility Documents) to set off against any such exposure, in each case determined by the relevant Ancillary Lender in accordance with its usual practice at that

time for calculating its exposure under similar facilities or transactions (acting reasonably and after consultation with the Agent).

For the purposes of this definition:

(i) in relation to any utilisation denominated in the Base Currency, the amount of that utilisation (determined as described in paragraphs (a) to (d) above) shall be used; and

(ii) in relation to any utilisation not denominated in the Base Currency, the equivalent (calculated as specified in the relevant Ancillary Facility Document or, if not so specified, as the relevant Ancillary Lender may specify, in each case in accordance with its usual practice at that time for calculating that equivalent (acting reasonably and after consultation with the Agent)) in the Base Currency of the amount of that utilisation (determined as described in paragraphs (a) to (d) above) shall be used.

"**Annualised EBITDA**" for any period comprising two consecutive Financial Quarters ending on a Quarter Date shall mean the Consolidated EBITDA for such two consecutive Financial Quarters (taken as whole) multiplied by two.

"**Applicable Accounting Principles**" means for the purpose of the preparation and/or audit of any accounts (whether consolidated or unconsolidated) of any member of the Group to be delivered hereunder as a condition precedent to making the initial Utilisation under this Agreement, accounting principles, practices and standards generally accepted in France, Belgium or Luxembourg as applicable according to the jurisdiction of incorporation of the relevant member of the Group and, thereafter, (a) in relation to consolidated accounts, in accordance with accounting principles, practices and standards generally accepted from time to time in France, Belgium or Luxembourg and (b) in relation to unconsolidated accounts, accounting principles, practices and standards generally accepted from time to time in France, Belgium or Luxembourg, in each case subject to the provisions of Clause 18.7 (*Change in Accounting Practices*) and in each case together with any variation to such accounting principles, practices and standards which has been agreed by the Company and the Instructing Group.

"**Applicable Margin**" means the A Facility Margin, the B Facility Margin, the C Facility Margin, the Second Lien Facility Margin, the Capital Investment Facility Margin or any Additional Revolving Facility Margin, as the context may require.

"**Approved Bank**" means any bank or credit institution entitled to engage in banking transactions in France, Belgium or Luxembourg.

"**Arranger**" means a financial or other institution in its capacity as an arranger in respect of the Facilities which has become a party hereto pursuant to Clause 25.4 (*Role of the Arrangers*) and together with the Mandated Lead Arrangers, the "**Arrangers**".

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing or registration.

"**Authorised Officer**" means any officer of the relevant company identified by such company from time to time and acceptable to the Agent.

"**Availability Period**" means:

(a) in relation to the A (Recap) Facility, the B (Recap) Facility and the Second Lien (Recap) Facility the period from and including the date of this Agreement to and including the Termination Date in respect of such Term Facility;

(b) in relation to the A (Acq) Facility, the B (Acq) Facility and the Second Lien (Acq) Facility, the period from and including the Initial Closing Date to and including the Termination Date in respect of such Term Facility;

(c) in relation to the C Facility (other than the C (Additional Senior Financing) Facility), the period from and including the Effective Date to and including the Termination Date in respect of the C Facility (other than the C (Additional Senior Financing) Facility);

(d) in relation to the C (Additional Senior Financing) Facility, the period from and including the relevant C (Additional Senior Financing) Facility Commitment Date to and including the relevant Termination Date;

(e) in relation to the Capital Investment Facility, the period from and including the date which is the first Business Day following the Initial Closing Date to and including the Termination Date in respect of such Term Facility; and

(f) in relation to any Additional Revolving Facility Tranche, the period from and including the relevant Additional Revolving Facility Commitment Date to and including the relevant Termination Date.

"**Available Additional Revolving Facility Commitment**" means, in relation to a Lender, in respect of an Additional Revolving Facility Tranche, at any time and save as otherwise provided herein, its Additional Revolving Facility Commitment under such Additional Revolving Facility Tranche at such time adjusted to reflect any cancellation or reduction thereof (including as a consequence of the designation of an Ancillary Commitment in accordance with paragraph (h) of Clause 2.11 (*Ancillary Facilities*)) or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and, in the case of any proposed Additional Revolving Facility Utilisation, to take account of its participation in any Additional Revolving Facility Utilisation under such Additional Revolving Facility Tranche which, pursuant to any other Utilisation Request, is to be made on or before the proposed Utilisation Date, less the amount of its participation in the Additional Revolving Facility Utilisations under such Additional Revolving Facility Tranche made under this Agreement, provided always that such amount shall not be less than zero. For the purposes of calculating a Lender's Available Additional Revolving Facility Commitment under any Additional Revolving Facility Tranche in relation to any proposed Utilisation under such Additional Revolving Facility Tranche only, a Lender's participation in any Additional Revolving Facility Utilisations under such Additional Revolving Facility Tranche that are due to be repaid or prepaid on or before the proposed Utilisation Date shall not be deducted from that Lender's Available Additional Revolving Facility Commitment under such Additional Revolving Facility Tranche.

"**Available Ancillary Commitment**" means, in relation to an Ancillary Facility, the relevant Ancillary Lender's Ancillary Commitment less the Ancillary Outstandings in relation to that Ancillary Facility.

"**Available A Facility Commitment**" means, in relation to a Lender, at any time its Available A (Recap) Facility Commitments and its A (Acq) Facility Commitments.

"**Available A (Recap) Facility Commitment**" means, in relation to a Lender, at any time its Available A (Recap) 1 Facility Commitments and its A (Recap) 2 Facility Commitments.

"**Available A (Recap) 1 Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its A (Recap) 1 Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance, to take account of any A (Recap) 1 Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the A (Recap) 1 Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available A (Recap) 2 Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its A (Recap) 2 Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance, to take account of any A (Recap) 2 Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the A (Recap) 2 Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available A (Acq) Facility Commitment**" means, in relation to a Lender, at any time its Available A (Acq) 1 Facility Commitments and its Available A (Acq) 2 Facility Commitments.

"**Available A (Acq) 1 Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its A (Acq) 1 Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance, to take account of any A (Acq) 1 Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the A (Acq) 1 Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available A (Acq) 2 Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its A (Acq) 2 Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance, to take account of any A (Acq) 2 Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the A (Acq) 2 Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available B Facility Commitment**" means, in relation to a Lender, at any time its Available B (Recap) Facility Commitments and its Available B (Acq) Facility Commitments.

"**Available B (Recap) Facility Commitment**" means, in relation to a Lender, at any time its Available B (Recap) 1 Facility Commitments and its Available B (Recap) 2 Facility Commitments.

"**Available B (Recap) 1 Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its B (Recap) 1 Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance, to take account of any B (Recap) 1 Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the B (Recap) 1 Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available B (Recap) 2 Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its B (Recap) 2 Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance to take account of any B (Recap) 2 Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the B (Recap) 2 Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available B (Acq) Facility Commitment**" means, in relation to a Lender, at any time its Available B (Acq) 1 Facility Commitments and its Available B (Acq) 2 Facility Commitments.

"**Available B (Acq) 1 Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its B (Acq) 1 Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance, to take account of any B (Acq) 1 Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the B (Acq) 1 Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available B (Acq) 2 Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its B (Acq) 2 Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance to take account of

any B (Acq) 2 Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the B (Acq) 2 Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available C Facility Commitment**" means, in relation to a Lender, at any time its Available C (Recap) Facility Commitments (if any), its Available C (Acq) Facility Commitments (if any) and its Available C (Additional Senior Financing) Facility Commitments (if any).

"**Available C (Recap) Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its C (Recap) Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance to take account of any C (Recap) Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the C (Recap) Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available C (Acq) Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its C (Acq) Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance to take account of any C (Acq) Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the C (Acq) Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available C (Additional Senior Financing) Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its C (Additional Senior Financing) Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed C (Additional Senior Financing) Facility Advance to take account of its participation in any C (Additional Senior Financing) Facility Advance which, pursuant to any other Utilisation Request, is to be made on or before the proposed Utilisation Date, less the amount of its participation in the C (Additional Senior Financing) Facility Advances already made under this Agreement, provided always that such amount shall not be less than zero.

"**Available Capital Investment Facility Commitment**" means, in relation to a Lender, at any time its Available Capital Investment Facility 1 Commitments and its Available Capital Investment Facility 2 Commitments.

"**Available Capital Investment Facility 1 Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its Capital Investment Facility 1 Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance to take account of any Capital Investment Facility 1 Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the Capital Investment Facility 1 Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available Capital Investment Facility 2 Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its Capital Investment Facility 2 Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance to take account of any Capital Investment Facility 2 Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the Capital Investment Facility 2 Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available Commitment**" means, in relation to a Lender, (a) the aggregate amount of its Available A (Recap) 1 Facility Commitment, its Available A (Recap) 2 Facility Commitment, its Available A (Acq) 1 Facility Commitment, its Available A (Acq) 2 Facility Commitment, its Available B (Recap) Facility Commitment, its Available B (Acq) 1 Facility Commitment, its Available B (Acq) 2 Facility Commitments, its Available C (Recap) Facility Commitment, its Available C (Acq) Facility Commitment, its Available C (Additional Senior Financing) Facility Commitment, its Available Second Lien (Recap) Facility Commitment, its Available Second Lien (Acq) Facility Commitment, its Available Capital Investment Facility 1 Commitment, its Available Capital Investment Facility 2 Commitment and its Available Additional Revolving Facility Commitment, or (b) in the context of a particular Facility, its Available Commitment under that Facility, in each case as the context may require.

"**Available Facility**" means, in relation to a Facility or tranche at any time, the aggregate amount of the Available Commitments in respect of that Facility or tranche at that time.

"**Available Second Lien (Recap) Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its Second Lien (Recap) Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance to take account of any Second Lien (Recap) Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the Second Lien (Recap) Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available Second Lien (Acq) Facility Commitment**" means, in relation to a Lender, at any time and save as otherwise provided herein, its Second Lien (Acq) Facility Commitment at such time adjusted to reflect any cancellation or reduction thereof or any transfer by such Lender or any transfer to it, in each case, pursuant to the terms of this Agreement and in the case of any proposed Advance to take account of any Second Lien (Acq) Facility Advance which, pursuant to any other Utilisation Request is to be made on or before the proposed Utilisation Date, less the amount of its share of the Second Lien (Acq) Facility Advance made under this Agreement, provided always that such amount shall not be less than zero.

"**Available Second Lien Facility Commitment**" means, in relation to a Lender, at any time its Available Second Lien (Recap) Facility Commitments and its Available Second Lien (Acq) Facility Commitments.

"**Available Term Facility Commitment**" means, in relation to a Lender, the aggregate amount of its Available A (Recap) 1 Facility Commitment, its Available A (Recap) 2 Facility Commitment, its Available A (Acq) 1 Facility Commitment, its Available A (Acq) 2 Facility Commitment, its Available B (Recap) Facility Commitment, its Available B (Acq) 1 Facility Commitment, its available B (Acq) 2 Facility Commitment, its Available C (Recap) Facility Commitment, its Available C (Acq) Facility Commitment, its Available C (Additional Senior Financing) Facility Commitments, its Available Second Lien (Recap) Facility Commitment, its Available Second Lien (Acq) Facility Commitment, its Available Capital Investment Facility 1 Commitment and its Available Capital Investment Facility 2 Commitment.

"**Base Currency**" means Euro.

"**Base Currency Amount**" means:

(a) in relation to a Utilisation, the amount specified in the Utilisation Request delivered by a Borrower for that Utilisation (or, in respect of the Additional Revolving Facility or the C (Additional Senior Financing) Facility if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this

Agreement) and, in the case of a Letter of Credit, as adjusted under Clauses 2.9(p) and (q) at six-monthly intervals; and

(b) in relation to an Ancillary Commitment, the amount specified as such in the notice delivered to the Agent by the Company pursuant to Clause 2.11(c),

as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation under the Additional Revolving Facility or the C (Additional Senior Financing) Facility, or (as the case may be) cancellation or reduction of an Ancillary Facility.

"**Belgian Borrower**" means a Borrower incorporated in Belgium.

"**Belgian Civil Code**" means the Belgian *Code Civil/Burgerlijk Wetboek*.

"**Belgian Guarantor**" means a Guarantor incorporated in Belgium.

"**Belgian Qualifying Lender**" means:

(a) a credit institution which is resident for tax purposes in Belgium, or is acting through a branch established in Belgium;

(b) a credit institution which is resident for tax purposes in a country that is the European Economic Area;

(c) a credit institution which is resident for tax purposes in a country with which Belgium has entered into a double taxation agreement (irrespective of whether such agreement provides an exemption from tax imposed by Belgium); or

(d) any other lender which, in respect of the Belgian Borrower at the time of payment of the interest, (x) is entitled (subject to completion of the necessary formalities) to receive payment of interest from that borrower without a tax deduction under an applicable double taxation treaty (a "Treaty Lender"), or (y) is entitled to benefit (subject to completion of the necessary formalities) from full withholding tax exemption under the tax laws of Belgium.

"**Beneficiaries**" means the Lenders, the Mandated Lead Arrangers, the Hedge Counterparties, the Agent, the Second Lien Agent and the Security Agent and "**Beneficiary**" means any of them.

"**B Facility**" means the B (Recap) Facility and the B (Acq) Facility in a maximum principal aggregate amount of €1,440,000,000 (increased to €1,565,000,000 as from the Reallocation Date) granted to the Borrowers pursuant to Clause 2.1(b) (*The Facilities*).

"**B Facility Advance**" means a B (Recap) Facility Advance or a B (Acq) Facility Advance, as the case may be.

"**B Facility Commitment**" means a B (Recap) Facility Commitment or a B (Acq) Facility Commitment, as the case may be.

"**B Facility Lender**" means any Lender under the B Facility.

"**B Facility Margin**" means, in relation to B Facility Advances and subject to Clause 9.7 (*Margin Ratchet for A Facility Advances, B Facility Advances, C Facility Advances, Capital Investment Facility Advances and Additional Cash Interest Rate*), 2.50% per annum.

"**B Facility Outstandings**" means, at any time, the aggregate principal amount of the B (Recap) Facility Outstandings and the B (Acq) Facility Outstandings.

"**B (Recap) Facility**" means the B (Recap) 1 Facility and the B (Recap) 2 Facility in a maximum aggregate amount of €815,000,000 granted to the Borrowers pursuant to Clause 2.1(b) (*The Facilities*).

"**B (Recap) Facility Advance**" means a B (Recap) 1 Facility Advance or a B (Recap) 2 Facility Advance, as the case may be.

"**B (Recap) Facility Commitment**" means, in relation to a Lender, at any time, a B (Recap) 1 Facility Commitment or a B (Recap) 2 Facility Commitment as the case may be.

"**B (Recap) Facility Outstandings**" means, at any time, the aggregate principal amount of the B (Recap) 1 Facility Outstanding and the B (Recap) 2 Facility Outstandings.

"**B (Recap) 1 Facility**" means the term loan facility in a maximum principal amount of €738,500,000 granted to the Borrowers pursuant to Clause 2.1(b) (*The Facilities*). For certain purposes only, the B (Recap) 1 Facility shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into the "**B (Recap) 1-I Facility**" and the "**B (Recap) 1-II Facility**" whereby:

(i) the Extending Lenders under the B (Recap) 1 Facility shall be deemed to participate in the B (Recap) 1-II Facility for an amount equal to the portion of their B (Recap) 1 Facility Commitments for which they are Extending Lenders, together with any other Lender which has acquired a B (Recap) 1 Facility Commitment in respect of the B (Recap) 1-II Facility, to the extent of such B (Recap) 1 Facility Commitments so acquired; and

(ii) the Extending Lenders under the B (Recap) 1 Facility referred to in paragraph (i) above shall be deemed to participate in the B (Recap) 1-I Facility for an amount equal to the portion of their B (Recap) 1 Facility Commitments for which they are not Extending Lenders and the Lenders which are not Extending Lenders which have B (Recap) 1 Facility Commitments shall be deemed to participate in the B (Recap) 1-I Facility for an amount equal to their B (Recap) 1 Facility Commitments, together with any other Lender which has acquired a B (Recap) 1 Facility Commitment in respect of the B (Recap) 1-I Facility , to the extent of such B (Recap) 1 Facility Commitments so acquired.

"**B (Recap) 1 Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the B (Recap) 1 Facility or arising in respect of the B (Recap) 1 Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*). For certain purposes only, each B (Recap) 1 Facility Advance shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into a "**B (Recap) 1-I Facility Advance**" and a "**B (Recap) 1-II Facility Advance**" whereby:

(i) the Extending Lenders which participate in the B (Recap) 1 Facility Advance (together with any other Lender which has acquired a B (Recap) 1 Facility Commitment in respect of the B (Recap) 1-II Facility, to the extent of such B (Recap) 1 Facility Commitments so acquired) shall be deemed to participate in the corresponding B (Recap) 1-II Facility Advance to the extent of their B (Recap) 1 Facility Commitments in respect of the B (Recap) 1-II Facility; and

(ii) the Lenders (including the Extending Lenders) which participate in the relevant B (Recap) 1 Facility Advance (together with any other Lender which has acquired a B (Recap) 1 Facility Commitment in respect of the B (Recap) 1-I Facility, to the extent of such B (Recap) 1 Facility Commitments so acquired) shall be deemed to participate in the corresponding B (Recap) 1-I Facility Advance to the extent of their B (Recap) 1 Facility Commitments in respect of the B (Recap) 1-I Facility.

"**B (Recap) 1 Facility Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**B (Recap) 1 Facility Outstandings**" means, at any time, the aggregate principal amount of the B (Recap) 1 Facility Advances outstanding hereunder, or, with effect from the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the B (Recap) 1-I Facility Outstandings and the B (Recap) 1-II Facility Outstandings.

"**B (Recap) 1-I Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the B (Recap) 1-I Facility Advances outstanding hereunder.

"**B (Recap) 1-II Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the B (Recap) 1-II Facility Advances outstanding hereunder.

"**B (Recap) 2 Facility**" means the term loan facility in a maximum principal amount of €76,500,000 granted to the Borrowers pursuant to Clause 2.1(b) (*The Facilities*).

"**B (Recap) 2 Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the B (Recap) 2 Facility or arising in respect of the B (Recap) 2 Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*).

"**B (Recap) 2 Facility Commitment**" means, in relation to a Lender at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**B (Recap) 2 Facility Outstandings**" means, at any time, the aggregate principal amount of the B (Recap) 2 Facility Advance outstanding hereunder.

"**B (Acq) Facility**" means the B (Acq) 1 Facility and the B (Acq) 2 Facility in a maximum principal amount of €625,000,000 (increased to €750,000,000 as from the Reallocation Date) granted to the Borrowers pursuant to Clause 2.1(b) (*The Facilities*).

"**B (Acq) Facility Advance**" means a B (Acq) 1 Facility Advance or a B (Acq) 2 Facility Advance, as the case may be.

"**B (Acq) Facility Commitment**" means, in relation to a Lender, at any time, a B (Acq) 1 Facility Commitment or a B (Acq) 2 Facility Commitment as the case may be.

"**B (Acq) Facility Outstandings**" means, at any time, the aggregate principal amount of the B (Acq) 1 Facility Outstanding and the B (Acq) 2 Facility Outstandings.

"**B (Acq) 1 Facility**" means the term loan facility in a maximum principal amount of €285,000,000 granted to the Borrowers pursuant to Clause 2.1(b) (*The Facilities*). For certain purposes only, the B (Acq) 1 Facility shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into the "**B (Acq) 1-I Facility**" and the "**B (Acq) 1-II Facility**" whereby:

(i) the Extending Lenders under the B (Acq) 1 Facility shall be deemed to participate in the B (Acq) 1-II Facility for an amount equal to the portion of their B (Acq) 1 Facility Commitments for which they are Extending Lenders, together with any other Lender which has acquired a B (Acq) 1 Facility Commitment in respect of the B (Acq) 1-II Facility, to the extent of such B (Acq) 1 Facility Commitments so acquired; and

(ii) the Extending Lenders under the B (Acq) 1 Facility referred to in paragraph (i) above shall be deemed to participate in the B (Acq) 1-I Facility for an amount equal to the portion of their B (Acq) 1 Facility Commitments for which they are not Extending Lenders and the Lenders which are not Extending Lenders which have B (Acq) 1 Facility Commitments shall be deemed to participate in the B (Acq) 1-I Facility for an amount equal to their B (Acq) 1 Facility Commitments, together with any other Lender which has acquired a B (Acq) 1 Facility Commitment in respect of the B (Acq) 1-I Facility, to the extent of such B (Acq) 1 Facility Commitments so acquired.

"**B (Acq) 1 Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the B (Acq) 1 Facility or arising in respect of the B (Acq)

1 Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*). For certain purposes only, each B (Acq) 1 Facility Advance shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into a "**B (Acq) 1-I Facility Advance**" and a "**B (Acq) 1-II Facility Advance**" whereby:

(i) the Extending Lenders which participate in the B (Acq) 1 Facility Advance (together with any other Lender which has acquired a B (Acq) 1 Facility Commitment in respect of the B (Acq) 1-II Facility, to the extent of such B (Acq) 1 Facility Commitments so acquired) shall be deemed to participate in the corresponding B (Acq) 1-II Facility Advance to the extent of their B (Acq) 1 Facility Commitments in respect of the B (Acq) 1-II Facility; and

(ii) the Lenders (including the Extending Lenders) which participate in the relevant B (Acq) 1 Facility Advance (together with any other Lender which has acquired a B (Acq) 1 Facility Commitment in respect of the B (Acq) 1-I Facility, to the extent of such B (Acq) 1 Facility Commitments so acquired) shall be deemed to participate in the corresponding B (Acq) 1-I Facility Advance, to the extent of their B (Acq) Facility Commitments in respect of the B (Acq) 1-I Facility.

"**B (Acq) 1 Facility Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**B (Acq) 1 Facility Outstandings**" means, at any time, the aggregate principal amount of the B (Acq) 1 Facility Advances outstanding hereunder, or, with effect from the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the B (Acq) 1-I Facility Outstandings and the B (Acq) 1-II Facility Outstandings.

"**B (Acq) 1-I Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the B (Acq) 1-I Facility Advances outstanding hereunder.

"**B (Acq) 1-II Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the B (Acq) 1-II Facility Advances outstanding hereunder.

"**B (Acq) 2 Facility**" means the term loan facility in a maximum principal amount of €340,000,000 (increased to €465,000,000 as from the Reallocation Date) granted to the Borrowers pursuant to Clause 2.1(b) (*The Facilities*). For certain purposes only, the B (Acq) 2 Facility shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into the "**B (Acq) 2-I Facility**" and the "**B (Acq) 2-II Facility**" whereby:

(i) the Extending Lenders under the B (Acq) 2 Facility shall be deemed to participate in the B (Acq) 2-II Facility for an amount equal to the portion of their B (Acq) 2 Facility Commitments for which they are Extending Lenders, together with any other Lender which has acquired a B (Acq) 2 Facility Commitment in respect of the B (Acq) 2-II Facility, to the extent of such B (Acq) 2 Facility Commitments so acquired; and

(ii) the Extending Lenders under the B (Acq) 2 Facility referred to in paragraph (i) above shall be deemed to participate in the B (Acq) 2-I Facility for an amount equal to the portion of their B (Acq) 2 Facility Commitments for which they are not Extending Lenders and the Lenders which are not Extending Lenders which have B (Acq) 2 Facility Commitments shall be deemed to participate in the B (Acq) 2-I Facility for an amount equal to their B (Acq) 2 Facility Commitments, together with any other Lender which has acquired a B (Acq) 2 Facility Commitment in respect of the B (Acq) 2-I Facility, to the extent of such B (Acq) 2 Facility Commitments so acquired.

"**B (Acq) 2 Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the B (Acq) 2 Facility or arising in respect of the B (Acq) 2 Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*). For certain purposes only, each B (Acq) 2 Facility Advance shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into a "**B (Acq) 2-I Facility Advance**" and a "**B (Acq) 2-II Facility Advance**" whereby:

(i) the Extending Lenders which participate in the B (Acq) 2 Facility Advance (together with any other Lender which has acquired a B (Acq) 2 Facility Commitment in respect of the B (Acq) 2-II Facility, to the extent of such B (Acq) 2 Facility Commitments so acquired) shall be deemed to participate in the corresponding B (Acq) 2-II Facility Advance to the extent of their B (Acq) 2 Facility Commitments in respect of the B (Acq) 2-II Facility; and

(ii) the Lenders (including the Extending Lenders) which participate in the relevant B (Acq) 2 Facility Advance (together with any other Lender which has acquired a B (Acq) 2 Facility Commitment in respect of the B (Acq) 2-I Facility, to the extent of such B (Acq) 2 Facility Commitments so acquired) shall be deemed to participate in the corresponding B (Acq) 2-I Facility Advance to the extent of their B (Acq) 2 Facility Commitments in respect of the B (Acq) 2-I Facility.

"**B (Acq) 2 Facility Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**B (Acq) 2 Facility Outstandings**" means, at any time, the aggregate principal amount of the B (Acq) 2 Facility Advances outstanding hereunder, or, with effect from the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the B (Acq) 2-I Facility Outstandings and the B (Acq) 2-II Facility Outstandings.

"**B (Acq) 2-I Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the B (Acq) 2-I Facility Advances outstanding hereunder.

"**B (Acq) 2-II Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the B (Acq) 2-II Facility Advances outstanding hereunder.

"**Borrowers**" means the Original Borrowers and any Additional Borrowers and "**Borrower**" means any one of them, as the context requires.

"**Break Costs**" means the amount (if any) by which:

(a) the interest (excluding the Applicable Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in an Advance or Unpaid Sum to the last day of the current Interest Period in respect of that Advance or Unpaid Sum, had the principal amount of such Advance or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount of such Advance or Unpaid Sum received or recovered by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following such receipt or recovery and ending on the last day of the current Interest Period,

provided that the Break Costs applicable to a C (Additional Senior Financing) Facility Advance funded on a fixed rate basis shall be nil.

"**Budget**" means the budget in the form and including the information required to be delivered by the Company to the Agent pursuant to Clause 18.2 (*Budget*), the first such budget to be delivered for the year commencing 1 January 2007 and provided that the first such budget may be in such other form agreed between the Company and the Mandated Lead Arrangers.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks generally are open for business in Paris and London and (i) if such reference relates to a date for the payment or purchase of any sum denominated in euros, which is a TARGET Day or (ii) if such reference relates to a date for the payment or purchase of any sum denominated in a currency other than euros, the principal financial centre of the country of the relevant currency.

"**Capital Expenditure**" for any given period means any expenditure incurred during such period which should be treated as capital expenditure in the financial statements of the person incurring such expenditure in accordance with Applicable Accounting Principles.

"**Capital Investment Facility**" means the Capital Investment Facility 1 and the Capital Investment Facility 2, in a maximum principal amount of €175,000,000 granted to the Borrowers pursuant to paragraph (d) of Clause 2.1 (*The Facilities*).

"**Capital Investment Facility Advance**" means a Capital Investment Facility 1 Advance or a Capital Investment Facility 2 Advance, as the case may be.

"**Capital Investment Facility Commitment**" means, in relation to a Lender, at any time, a Capital Investment Facility 1 Commitment or a Capital Investment Facility 2 Commitment as the case may be.

"**Capital Investment Facility Lender**" means any Lender under the Capital Investment Facility.

"**Capital Investment Facility Margin**" means, in relation to Capital Investment Facility Advances, and subject to Clause 9.7 (*Margin Ratchet for A Facility Advances, B Facility Advances, C Facility Advances, Capital Investment Facility Advances and Additional Cash Interest Rate*), 2.125% per annum.

"**Capital Investment Facility Outstandings**" means, at any time, the aggregate principal amount of the Capital Investment Facility 1 Outstandings and the Capital Investment Facility 2 Outstandings.

"**Capital Investment Facility 1**" means the term loan facility in a maximum principal amount of €43,585,361 granted to the Borrowers pursuant to Clause 2.1(d) (*The Facilities*) (such term loan facility comprising the participations of those Capital Investment Facility Lenders which accepted the request to defer the repayment instalments of the Capital Investment Facility set out in the consent request letter dated 13 November 2009). For certain purposes only, the Capital Investment Facility 1 shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into the "**Capital Investment Facility 1-I**" and the "**Capital Investment Facility 1-II**" whereby:

(i) the Extending Lenders under the Capital Investment Facility 1 shall be deemed to participate in the Capital Investment Facility 1-II for an amount equal to the portion of their Capital Investment Facility 1 Commitments for which they are Extending Lenders, together with any other Lender which has acquired a Capital Investment Facility 1 Commitment in respect of the Capital Investment Facility 1-II, to the extent of such Capital Investment Facility 1 Commitments so acquired; and

(ii) the Extending Lenders under the Capital Investment Facility 1 referred to in paragraph (i) above shall be deemed to participate in the Capital Investment Facility 1-I for an amount equal to the portion of their Capital Investment Facility 1 Commitments for which they are not Extending Lenders and the Lenders which are not Extending Lenders which have Capital Investment Facility 1 Commitments shall be deemed to participate in the Capital Investment Facility 1-I for an amount equal to their Capital Investment Facility 1 Commitments, together with any other Lender which has acquired a Capital Investment Facility 1 Commitment in respect of the Capital Investment Facility 1-I, to the extent of such Capital Investment Facility 1 Commitments so acquired.

"**Capital Investment Facility 1 Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the Capital Investment Facility 1 or arising in respect of the Capital Investment Facility 1 under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*). For certain purposes only, each Capital Investment Facility 1 Advance shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into a "**Capital Investment Facility 1-I Advance**" and a "**Capital Investment Facility 1-II Advance**" whereby:

(i) the Extending Lenders which participate in the Capital Investment Facility 1 Advance (together with any other Lender which has acquired a Capital Investment Facility 1 Commitment in respect of the Capital Investment Facility 1-II, to the extent of such Capital Investment Facility 1 Commitments so acquired) shall be deemed to participate in the corresponding Capital Investment Facility 1-II Advance to the extent of their Capital Investment Facility 1 Commitments in respect of the Capital Investment Facility 1-II; and

(ii) the Lenders (including the Extending Lenders) which participate in the relevant Capital Investment Facility 1 Advance (together with any other Lender which has acquired a Capital Investment Facility 1 Commitment in respect of the Capital Investment Facility 1-I, to the extent of such Capital Investment Facility 1 Commitments so acquired) shall be deemed to participate in the corresponding Capital Investment Facility 1-I Advance to the extent of their Capital Investment Facility 1 Commitments in respect of the Capital Investment Facility 1-I.

"**Capital Investment Facility 1 Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**Capital Investment Facility 1 Outstandings**" means, at any time, the aggregate principal amount of the Capital Investment Facility 1 Advances outstanding hereunder, or, with effect from the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the Capital Investment Facility 1-I Outstandings and the Capital Investment Facility 1-II Outstandings.

"**Capital Investment Facility 1-I Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the Capital Investment Facility 1-I Advances outstanding hereunder.

"**Capital Investment Facility 1-II Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the Capital Investment Facility 1-II Advances outstanding hereunder.

"**Capital Investment Facility 2**" means the term loan facility in a maximum principal amount of €82,130,258.59 granted to the Borrowers pursuant to Clause 2.1(d) (*The Facilities*) (such term loan facility comprising the participations of those Capital Investment Facility Lenders which did not accept the request to defer the repayment instalments of the Capital Investment Facility set out in the consent request letter dated 13 November 2009). For certain purposes only, the Capital Investment Facility 2 shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into the "**Capital Investment Facility 2-I**" and the "**Capital Investment Facility 2-II**" whereby:

(i) the Extending Lenders under the Capital Investment Facility 2 shall be deemed to participate in the Capital Investment Facility 2-II for an amount equal to the portion of their Capital Investment Facility 2 Commitments for which they are Extending Lenders, together with any other Lender which has acquired a Capital Investment Facility 2 Commitment in respect of the Capital Investment Facility 2-II, to the extent of such Capital Investment Facility 2 Commitments so acquired; and

(ii) the Extending Lenders under the Capital Investment Facility 2 referred to in paragraph (i) above shall be deemed to participate in the Capital Investment Facility 2-I for an amount equal to the portion of their Capital Investment Facility 2 Commitments for which they are not Extending Lenders and the Lenders which are not Extending Lenders which have Capital Investment Facility 2 Commitments shall be deemed to participate in the Capital Investment Facility 2-I for an amount equal to their Capital Investment Facility 2 Commitments, together with any other Lender which has acquired a Capital Investment Facility 2 Commitment in respect of the Capital Investment Facility 2-I, to the extent of such Capital Investment Facility 2 Commitments so acquired.

"**Capital Investment Facility 2 Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the Capital Investment Facility 2 or arising in respect of the Capital Investment Facility 2 under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*). For certain purposes only, each Capital Investment Facility 2 Advance shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into a "**Capital Investment Facility 2-I Advance**" and a "**Capital Investment Facility 2-II Advance**" whereby:

(i) the Extending Lenders which participate in the Capital Investment Facility 2 Advance (together with any other Lender which has acquired a Capital Investment Facility 2 Commitment in respect of the Capital Investment Facility 2-II, to the extent of such Capital Investment Facility 2 Commitments so acquired) shall be deemed to participate in the corresponding Capital Investment Facility 2-II Advance to the extent of their Capital Investment Facility 2 Commitments in respect of the Capital Investment Facility 2-II; and

(ii) the Lenders (including the Extending Lenders) which participate in the relevant Capital Investment Facility 2 Advance (together with any other Lender which has acquired a Capital Investment Facility 2 Commitment in respect of the Capital Investment Facility 2-I, to the extent of such Capital Investment Facility 2 Commitments so acquired) shall be deemed to participate in the corresponding Capital Investment Facility 2-I Advance to the extent of their Capital Investment Facility 2 Commitments in respect of the Capital Investment Facility 2-I.

"**Capital Investment Facility 2 Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**Capital Investment Facility 2 Outstandings**" means, at any time, the aggregate principal amount of the Capital Investment Facility 2 Advances outstanding hereunder or, with effect from the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the Capital Investment Facility 2-I Outstandings and the Capital Investment Facility 2-II Outstandings.

"**Capital Investment Facility 2-I Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the Capital Investment Facility 2-I Advances outstanding hereunder.

"**Capital Investment Facility 2-II Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the Capital Investment Facility 2-II Advances outstanding hereunder.

"**Carlyle Investors**" means any investment fund advised or managed by Carlyle Investment Management L.L.C. or its affiliates ("**CIM**") or any general partner or limited partner of such fund, but excluding the leveraged finance investment funds or any other investment fund associated or affiliated with CIM, the primary purpose of which is to invest in debt securities or instruments.

"**Cash**" means any credit balances on any deposit, savings or current account with a bank which is repayable on demand or within 5 Business Days of demand without condition, Cash Equivalent Investments and cash in hand.

"**Cash Cover Account**" means the account to which the Parent would pay the cash cover required in accordance with the Cash Cover Undertaking.

"**Cash Cover Undertaking**" has the meaning given to it in the form of Senior Subordinated Notes Intercreditor Deed.

"**Cash Equivalent Investments**" means:

(a) debt securities denominated in euro issued or fully guaranteed or fully insured by any member state of the European Monetary Union, having maturities of 12 months or less from the date of acquisition which are rated at least A by Standard & Poor's Ratings Group and P-1 by Moody's Investor Service, Inc.;

(b) certificates of deposit of, or time deposits or overnight bank deposits denominated in euro with, any commercial bank whose short-term securities are rated at least A by Standard and Poor's Rating Group and P-1 by Moody's Investors Services, Inc. having maturities of 12 months or less from the date of acquisition;

(c) commercial paper of, or money market accounts or funds denominated in euro with or issued by, an issuer rated at least A by Standard & Poor's Ratings Group and P-1 by Moody's Investor Service, Inc. and having an original tenor of not more than 12 months;

(d) medium term fixed or floating rate notes denominated in euro of an issuer rated at least A by Standard & Poor's Rating Group and P-1 by Moody's Investors Service, Inc. at the time of acquisition and having a remaining term of not more than six months after the date of acquisition; and

(e) such other securities (if any) approved by the Agent.

"**Centre of Main Interests**" has the meaning given to it in Article 3(1) of Council Regulation (EC) No.1346/2000 of 29 May 2000 Insolvency Proceedings.

"**Certain Funds Default**" means:

(a) in respect of an Advance under the A (Recap) Facility, the B (Recap) Facility or the Second Lien (Recap) Facility, a Default arising under or in connection with:

  (i) Clause 22.1 (*Payment Default*);

  (ii) Clauses 22.7 (*Insolvency*), 22.8 (*Winding-up*) or 22.10 (*Similar Events Elsewhere*) as they relate to an Obligor;

  (iii) Clause 22.5 (*Invalidity and Unlawfulness*) as it relates to the Finance Documents;

  (iv) Clause 22.3 (*Breach of obligations*) as it relates to:

    (A) Clause 21.2 (*Disposals*);

    (B) Clause 21.5 (*Negative Pledge*);

    (C) Clause 21.7 (*Indebtedness*);

    (D) Clause 21.8 (*Guarantees and Indemnities*);

    (E) Clause 21.9 (*Loans*);

    (F) Clause 21.22 (*Restriction on Payments*),

in each case in relation to an Obligor;

(v) Clause 22.4 (*Misrepresentation*) as it relates to:

(A) Clause 17.1 (*Incorporation*);

(B) Clause 17.2 (*Power*);

(C) Clause 17.3 (*Authority*);

(D) Clause 17.4 (*Consents and Filings*);

(E) Clause 17.5 (*Non-Conflict*);

(F) Clause 17.6 (*Obligations Binding*);

(G) Clause 17.22 (*Claims Pari Passu*),

in respect of Obligors only;

(vi) in relation to the relevant Lender only, it becomes unlawful for a Lender to fund its participation in an Advance; or

(vii) there occurs a Change of Control;

(b) in respect of an Advance under the A (Acq) Facility, the B (Acq) Facility or the Second Lien (Acq) Facility, a Default arising under or in connection with:

(i) Clause 22.1 (*Payment Default*) in respect of the Purchaser, the Parent or the Company;

(ii) Clause 22.7 (*Insolvency*), 22.8 (*Winding-up*) or 22.10 (*Similar Events Elsewhere*) in respect of the Purchaser, the Parent, the Company or (but in which case it shall only be a Certain Funds Default in respect of that Borrower) any Borrower which borrows an A (Acq) Facility Advance, a B (Acq) Facility Advance or a Second Lien (Acq) Facility Advance;

(iii) Clause 22.5 (*Invalidity and Unlawfulness*) as it relates to the Finance Documents and the Purchaser, the Parent and the Company and (but in which case it shall be a Certain Funds Default only in respect of that Borrower) any Borrower (excluding the Company and AFE) which borrows an A (Acq) Facility Advance, a B (Acq) Facility Advance or a Second Lien (Acq) Facility Advance;

(iv) Clause 22.3 (*Breach of Obligations*) as it relates to:

(A) Clause 21.2 (*Disposals*);

(B) Clause 21.5 (*Negative Pledge*);

(C) Clause 21.7 (*Indebtedness*);

(D) Clause 21.8 (*Guarantees* and *Indemnities*);

(E) Clause 21.9 (*Loans*);

(F) Clause 21.22 (*Restriction on Payments*);

(G) Clause 21.22 (*Restriction on Payments*),

in relation to the Purchaser, the Company and the Parent and not to its Subsidiaries or other members of the Group;

(v) Clause 22.4 (*Misrepresentation*) as it relates to:

(A) Clause 17.1 (*Incorporation*);

(B) Clause 17.2 (*Power*);

(C) Clause 17.3 (*Authority*);

(D) Clause 17.4 (*Consents and Filings*);

(E) Clause 17.5 (*Non-Conflict*);

(F) Clause 17.6 (*Obligations Binding*);

(G) Clause 17.22 (*Claims Pari Passu*),

in respect of the Purchaser, the Company or the Parent only and not to its Subsidiaries or other members of the Group;

(vi) in relation to the relevant Lender only, it becomes unlawful for a Lender to fund its participation in an Advance, or

(vii) there occurs a Change of Control.

"**C Facility**" means the C (Recap) Facility and the C (Acq) Facility in a maximum principal aggregate amount of €800,000,000 granted to the Borrowers pursuant to Clause 2.1(e) (*The Facilities*) and the C (Additional Senior Financing) Facility which may be granted to the Company in accordance with Clause 2.1(f) (*The Facilities*) and Clause 2.7 (*C (Additional Senior Financing) Facility*).

"**C Facility Advance**" means a C (Recap) Facility Advance, a C (Acq) Facility Advance or a C (Additional Senior Financing) Facility Advance, as the case may be.

"**C Facility Commitment**" means a C (Recap) Facility Commitment, a C (Acq) Facility Commitment or a C (Additional Senior Financing) Facility Commitment, as the case may be.

"**C Facility Funds Flow Memorandum**" means a memorandum in the agreed form setting out the sources and uses of funds, the bank account details and payment instructions in relation to flows of funds on the Refinancing Date.

"**C Facility Lender**" means any Lender under the C Facility.

"**C Facility Margin**" means, in relation to C Facility Advances (other than C (Additional Senior Financing) Facility Advances) and subject to Clause 9.7 (*Margin Ratchet for A Facility Advances, B Facility Advances, C Facility Advances, Capital Investment Facility Advances and Additional Cash Interest Rate*), 2.75 per cent. per annum and, in relation to any C (Additional Senior Financing) Facility Advance, the margin specified in the applicable C (Additional Senior Financing) Facility Commitment Letter.

"**C Facility Outstandings**" means, at any time, the aggregate principal amount of the C (Recap) Facility Outstandings, the C (Acq) Facility Outstandings and the C (Additional Senior Financing) Facility Outstandings.

"**C (Recap) Facility**" means the term loan facility in a maximum principal amount of €522,049,928.29 granted to the Borrowers pursuant to Clause 2.1(e) (*The Facilities*). For certain purposes only, the C (Recap) Facility shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into the "**C (Recap)-I Facility**" and the "**C (Recap)-II Facility**" whereby:

(i) the Extending Lenders under the C (Recap) Facility shall be deemed to participate in the C (Recap)-II Facility for an amount equal to the portion of their C (Recap) Facility Commitments for which they are Extending Lenders, together with any other Lender which has acquired a C (Recap) Facility Commitment in respect of the C (Recap)-II Facility, to the extent of such C (Recap) Facility Commitments so acquired; and

(ii) the Extending Lenders under the C (Recap) Facility referred to in paragraph (i) above shall be deemed to participate in the C (Recap)-I Facility for an amount equal to the portion of their C (Recap) Facility Commitments for which they are not Extending Lenders and the Lenders which are not Extending Lenders which have C (Recap) Facility Commitments shall be deemed to participate in the C (Recap)-I Facility for an amount equal to their C (Recap) Facility Commitments, together with any other Lender which has acquired a C (Recap) Facility Commitment in respect of the C (Recap)-I Facility, to the extent of such C (Recap) Facility Commitments so acquired.

"**C (Recap) Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the C (Recap) Facility or arising in respect of the C (Recap) Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*). For certain purposes only, each C (Recap) Facility Advance shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into a "**C (Recap)-I Facility Advance**" and a "**C (Recap)-II Facility Advance**" whereby:

(i) the Extending Lenders which participate in the C (Recap) Facility Advance (together with any other Lender which has acquired a C (Recap) Facility Commitment in respect of the C (Recap)-II Facility, to the extent of such C (Recap) Facility Commitments so acquired) shall be deemed to participate in the corresponding C (Recap)-II Facility Advance to the extent of their C (Recap) Facility Commitments in respect of the C (Recap)-II Facility; and

(ii) the Lenders (including the Extending Lenders) which participate in the relevant C (Recap) Facility Advance (together with any other Lender which has acquired a C (Recap) Facility Commitment in respect of the C (Recap)-I Facility, to the extent of such C (Recap) Facility Commitments so acquired) shall be deemed to participate in the corresponding C (Recap)-I Facility Advance to the extent of their C (Recap) Facility Commitments in respect of the C (Recap)-I Facility.

"**C (Recap) Facility Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**C (Recap) Facility Outstandings**" means, at any time, the aggregate principal amount of the C (Recap) Facility Advances outstanding hereunder, or, with effect from the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the C (Recap)-I Facility Outstandings and the C (Recap)-II Facility Outstandings.

"**C (Recap)-I Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the C (Recap)-I Facility Advances outstanding hereunder.

"**C (Recap)-II Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the C (Recap)-II Facility Advances outstanding hereunder.

"**C (Acq) Facility**" means the term loan facility in a maximum principal amount of €277,950,071.71 granted to the Borrowers pursuant to Clause 2.1(e) (*The Facilities*). For certain purposes only, the C (Acq) 2 Facility shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into the "**C (Acq)-I Facility**" and the "**C (Acq)-II Facility**" whereby:

(i) the Extending Lenders under the C (Acq) Facility shall be deemed to participate in the C (Acq)-II Facility for an amount equal to the portion of their C (Acq) Facility Commitments for which they are Extending Lenders, together with any other Lender which has acquired a

C (Acq) Facility Commitment in respect of the C (Acq)-II Facility, to the extent of such C (Acq) Facility Commitments so acquired; and

(ii) the Extending Lenders under the C (Acq) Facility referred to in paragraph (i) above shall be deemed to participate in the C (Acq)-I Facility for an amount equal to the portion of their C (Acq) Facility Commitments for which they are not Extending Lenders and the Lenders which are not Extending Lenders which have C (Acq) Facility Commitments shall be deemed to participate in the C (Acq)-I Facility for an amount equal to their C (Acq) Facility Commitments, together with any other Lender which has acquired a C (Acq) Facility Commitment in respect of the C (Acq)-I Facility, to the extent of such C (Acq) Facility Commitments so acquired.

"**C (Acq) Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the C (Acq) Facility or arising in respect of the C (Acq) Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*). For certain purposes only, each C (Acq) Facility Advance shall (with effect from the Fifth Amendment Agreement Effective Date) be deemed to be split into a "**C (Acq)-I Facility Advance**" and a "**C (Acq)-II Facility Advance**" whereby:

(i) the Extending Lenders which participate in the C (Acq) Facility Advance (together with any other Lender which has acquired a C (Acq) Facility Commitment in respect of the C (Acq)-II Facility, to the extent of such C (Acq) Facility Commitments so acquired) shall be deemed to participate in the corresponding C (Acq)-II Facility Advance to the extent of their C (Acq) Facility Commitments in respect of the C (Acq)-II Facility; and

(ii) the Lenders (including the Extending Lenders) which participate in the relevant C (Acq) Facility Advance (together with any other Lender which has acquired a C (Acq) Facility Commitment in respect of the C (Acq)-I Facility, to the extent of such C (Acq) Facility Commitments so acquired) shall be deemed to participate in the corresponding C (Acq)-I Facility Advance to the extent of their C (Acq) Facility Commitments in respect of the C (Acq)-I Facility.

"**C (Acq) Facility Commitment**" means, in relation to a Lender, at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**C (Acq) Facility Outstandings**" means, at any time, the aggregate principal amount of the C (Acq) Facility Advances outstanding hereunder, or, with effect from the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the C (Acq)-I Facility Outstandings and the C (Acq)-II Facility Outstandings.

"**C (Acq)-I Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the C (Acq)-I Facility Advances outstanding hereunder.

"**C (Acq)-II Facility Outstandings**" means, at any time after the Fifth Amendment Agreement Effective Date, the aggregate principal amount of the C (Acq)-II Facility Advances outstanding hereunder.

"**C (Additional Senior Financing) Facility**" means the uncommitted term loan facility which may be granted to the Company in accordance with Clause 2.1(f) (*The Facilities*).

"**C (Additional Senior Financing) Facility Advance**" means each advance (as from time to time reduced by repayment) made or to be made by the Lenders under the C (Additional Senior Financing)

Facility or arising in respect of the C (Additional Senior Financing) Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*).

"**C (Additional Senior Financing) Facility Commitment**" means, in relation to a Lender at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) to the relevant C (Additional Senior Financing) Facility Commitment Letter or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**C (Additional Senior Financing) Facility Commitment Date**" means each date specified as a C (Additional Senior Financing) Facility Commitment Date in a C (Additional Senior Financing) Facility Commitment Letter.

"**C (Additional Senior Financing) Facility Lender**" means any Lender under the C (Additional Senior Financing) Facility. For the avoidance of doubt, there may be more than one C (Additional Senior Financing) Facility Lender.

"**C (Additional Senior Financing) Facility Commitment Letter**" means a letter from the Company to the Agent substantially in the form set out in Schedule 16 (*C (Additional Senior Financing) Facility Commitment Letter*).

"**C (Additional Senior Financing) Facility Outstandings**" means, at any time, the aggregate principal amount of the C (Additional Senior Financing) Facility Advances outstanding hereunder.

"**C (Additional Senior Financing) Facility Voting Undertaking**" means, in respect of a C (Additional Senior Financing) Facility Advance, a voting undertaking granted by the corresponding C (Additional Senior Financing) Facility Lender for the benefit of the Finance Parties substantially in the form set out in Schedule 23 (*Form of C (Additional Senior Financing) Facility Voting Undertaking*) with such changes as the Agent (acting on the instructions of the Instructing Group), the Company and that C (Additional Senior Financing) Facility Lender may agree.

"**Change of Control**" means:

1. *Prior to a Listing:*

(a) any change in the legal or beneficial ownership of the shares of the Parent or the Company or of the Shareholder Debt or entry into any agreement which, in either case, results in the Equity Sponsors ceasing to own individually or together (legally or beneficially) (directly or indirectly) on or after the Initial Closing Date equity share capital having the right to cast at least 50.1 per cent. of the votes capable of being cast in general meetings of the Parent and/or the Company; or

(b) the Equity Sponsors individually or together ceasing to hold (directly or indirectly) the right or ability to determine the composition of a majority of the board of directors (or like body) of the Parent and/or the Company or ceasing to be represented by such majority;

2. *Upon or following a Listing:*

(a) a person or a group of persons acting in concert (in each case other than the Equity Sponsors) becoming (legally or beneficially) (directly or indirectly), the owner of a greater proportion of the share capital or voting rights of the Parent and/or the Company on a fully diluted or not diluted basis than the Equity Sponsors; or

(b) the Equity Sponsors ceasing to own together (legally or beneficially) (directly or indirectly) equity share capital having the right to cast at least 33.00% of the votes capable of being cast in general meetings of the Parent and/or the Company on a fully diluted basis;

3. *Before or after a Listing:*

(a) the Company ceases to hold (directly or indirectly) (i) more than 99% of the equity share capital having the right to cast votes at general meetings of Numéricâble, NC Numéricâble, AFE, Est Videocom and after the Acquisition Closing Date, the Target or (ii) the right or ability to determine the composition of a majority of the board of directors (or like body) of any such company or ceasing to be represented by such majority; or

(b) the Parent ceases to hold (directly or indirectly) (i) more than 99% of the equity share capital having the right to cast votes at general meeting of the Company or (ii) the right or ability to determine the composition of a majority of the board of directors (or like body) of the Company or ceasing to be represented by such majority.

"**Charged Property**" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Security Documents.

"**Cinven**" means Cinven Limited of Warwick Court, Paternoster Square, London EC4M 7AG, England.

"**Cinven Investors**" means Cinven, together with funds and investors managed by Cinven or any investors in such funds designated or appointed by Cinven as co-investors provided such co-investors are required to vote in accordance with the directions of Cinven.

"**Clean Up Period**" means the period of four months from the Acquisition Closing Date.

"**Coditel Debt**" means Coditel Debt, a company incorporated as a société à responsabilité limitée under the laws of Luxembourg, with registered address at 283, route d'Arlon, L-8011 Strassen, Grand Duchy of Luxembourg, and registered with the Register of Commerce and Companies under number B-130.807 and having, as at the date of the Fifth Amendment Agreement, a corporate capital of EUR 150,000.

"**Coditel Debt Notes**" means any notes issued by Coditel Debt to the Parent provided that they (a) are subordinated to the rights of creditors under the Finance Documents, (b) have a maturity longer than the C Facility, (c) do not provide for cash pay interest except to the extent permitted under the Finance Documents, (d) contain no events of default other than insolvency of Coditel Debt and (e) do not receive any credit support from any member of the Group.

"**Commencement Date**" has the meaning given to it in the sub-section entitled "Request for Ancillary Facilities " of Clause 2.11 (*Ancillary Facilities*).

"**Commitment**" means, in relation to a Lender, its A (Recap) 1 Facility Commitment, its A (Recap) 2 Facility Commitment, its A (Acq) 1 Facility Commitment, its A (Acq) 2 Facility Commitment, its B (Recap) 1 Facility Commitment, its B (Recap) 2 Facility Commitment, its B (Acq) 1 Facility Commitment, its B (Acq) 2 Facility Commitment, its C (Recap) Facility Commitment, its C (Acq) Facility Commitment, its C (Additional Senior Financing) Facility Commitment, its Second Lien (Recap) Facility Commitment, its Second Lien (Acq) Facility Commitment, its Capital Investment Facility 1 Commitment, its Capital Investment Facility 2 Commitment, its Additional Revolving Facility Commitment or, without double counting, its Ancillary Commitment, as the context may require.

"**Commitment Date**" means the earlier of the date on which a commitment letter in respect of the Facilities is signed by the Mandated Lead Arrangers and the date of this Agreement.

"**Commitment Letter**" means the commitment letter dated 26 January 2007 made between the C Facility Mandated Lead Arranger and the Company and relating to the implementation of the C Facility.

"**Compliance Certificate**" means a certificate substantially in the form set out in Part I of Schedule 6 (*Form of Auditors' Confirmation*) or Part II of Schedule 6 (*Form of Compliance Certificate*), as appropriate, or, in the case of a Compliance Certificate to be issued by the auditors, such other form as the Agent shall agree with the Company and the relevant auditors.

"**Consenting Lender**" means a Lender that irrevocably and unconditionally consented (subject to the terms of the 2011 Consent Request and the Fifth Amendment Agreement) to the 2011 Consent Request in its entirety (including the Fifth Amendment Agreement and this Agreement as amended thereby) on or before the 2011 Consent Time but which may or may not be an Extending Lender.

"**Consolidated Cash Flow**" means for any period and without double-counting, Consolidated EBITDA for such period:

(a) plus the amount of any tax rebate or credit in respect of any corporation tax or withholding tax or other Tax on income or gains actually received in cash by any member of the Group during such period;

(b) (i) plus any extraordinary or exceptional gain (including any non-refundable and non-interest bearing subsidy which is received in cash), (ii) minus any extraordinary or exceptional loss received or paid in cash during such period, (iii) plus the proceeds of any Special Private Equity Contribution purported to finance any exceptional or extraordinary cash outflow referred to in (ii) above, (iv) plus an amount equal to the Net Proceeds of any disposal referred to in Clause 8.2(a) (*Mandatory Prepayment from Receipts*) to the extent not applied in prepayment of Utilisations pursuant to that Clause or reinvested as contemplated in that Clause (or the equivalent clause under the Mezzanine Facility Agreement), to the extent not already taken into account in calculating Consolidated EBITDA for such period;

(c) plus the amount of any deposit received and minus the amount of any deposit returned by any member of the Group during such period;

(d) minus all Capital Expenditure in each case actually paid by members of the Group during such period (but excluding any Capital Expenditure to the extent that it is financed from Retained Excess Cash Flow or from insurance proceeds received in respect of loss or damage to capital assets in accordance with Clause 8.2 (*Mandatory Prepayment from Receipts*));

(e) minus all corporation tax (and their equivalents in any relevant jurisdiction, including any such Taxes levied locally in such jurisdiction), withholding tax and other Tax on income or gains paid during such period;

(f) plus any cash dividends or returns on equity received by a member of the Group from any Joint Venture or other person in which the Group has an ownership interest but which is not a member of the Group during such period;

(g) minus the aggregate of the cash costs (to the extent not already taken into account in calculating Consolidated EBITDA or Capital Expenditure for such period) paid in connection with any Permitted Acquisitions and the amount of any investments in Joint Ventures made in cash during such period, in each case to the extent not financed by Private Equity Contributions (but excluding any investments in Joint Ventures made in cash to the extent financed from Retained Excess Cash Flow);

(h) minus any increase or plus any decrease in Working Capital between the beginning and end of such period;

(i) minus monitoring fees and the variable element of management fees actually paid to the Equity Sponsors or Altice Services (or any entity which replaces it as services provider and accedes to the Intercreditor Agreement);

(j) minus all non-cash credits and plus all non-cash debits (if any) taken into account in calculating Consolidated EBITDA for such period;

(k) minus the amount of all dividends and other distributions paid during such period on, or in respect of, any share capital of a member of the Group not held by a member of the Group;

(l) minus any bank agency fees paid under the Finance Documents and the Mezzanine Finance Documents during such period;

(m) plus the proceeds of any claim against the Vendor under the Acquisition Documents, but after deduction of all Taxes applicable on, and all reasonable costs, fees and expenses incurred in connection with, such claim, to the extent that the proceeds of any such claim exceed the amount of payments made by any member of the Group in respect of liability or loss giving rise to such claim or which are required to be made by a member of the Group to make good the liability or loss;

(n) minus all cash payments made during such period by any member of the Group pursuant to any pension scheme to the beneficiaries thereof to the extent not included in the definition of Consolidated EBITDA;

(o) plus any portion of management fees not actually paid out in cash;

(p) for the purpose of Clause 19.1(b) (*Debt Service Coverage Ratio: Consolidated Cash Flow to Consolidated Total Debt Service*) only, plus (i) the aggregate amount of drawdowns under the Capital Investment Facility during such period which have not been repaid and (ii) to the extent used to finance Capital Expenditure, the proceeds of any Private Equity Contribution received by the Company pursuant to the amendment letter dated 24 June 2008 (and it is agreed that €20,000,000 of the €50,000,000 Private Equity Contribution received by the Company pursuant to paragraph (3)(ii) of Schedule 2 (*Conditions precedent*) to the Fourth Amendment Agreement is also received by the Company pursuant to that letter);

(q) plus any arrangement and underwriting fee referred to in Clause 11.2 (*Arrangement and Underwriting Fee*) and payable by the Company to the C Facility Mandated Lead Arranger and any other fees payable by the Company or any other Obligor in connection with the Refinancing and the implementation of the C Facility;

(r) plus (to the extent otherwise deducted) (i) any amount paid by Coditel Debt in respect of any Advance Buy-Back (including all fees and expenses paid in connection therewith), to the extent the consideration for such Advance Buy-Back by the Parent and related fees and expenses were (directly or indirectly) satisfied from Permitted Funding Sources, and (ii) the waiver fee payable by the Company pursuant to the amendment letter dated 24 June 2008;

(s) plus (to the extent otherwise deducted) 2009 Amendment Costs (for the avoidance of doubt, without double-counting any amount that has already been added pursuant to paragraph (r) above); and

(t) plus (to the extent otherwise deducted) the Senior Note Issue Costs.

For the avoidance of doubt, the proceeds of issuance of the Coditel Debt Notes issued in connection with any Advance Buy-Back shall not be taken into account in the calculation of Consolidated Cash Flow as an exceptional or extraordinary item.

"**Consolidated EBITDA**" for any period and without double counting means the net earnings of the Group, or as the context so requires any member of the Group, for such period:

(a) before deducting any negative or adding any positive exceptional or extraordinary items incurred or received and before deducting any 2009 Amendment Costs and before deducting any Senior Note Issue Costs;

(b) before deducting any depreciation or amortisation;

(c) before deducting corporation tax (including unrelieved surplus advance corporation tax) or withholding tax (in each case whether current or deferred) and their equivalents in any relevant jurisdiction or any other Tax on incomes or gains but after deducting any *taxe professionnelle*;

(d) before taking into account Interest (and any up-front or front-end fees or premia described in paragraph (e) of the definition of "Interest") accrued as an obligation of or owed to any member of the Group, whether or not paid, deferred or capitalised during such period;

(e) before taking into account any monitoring fees and the variable element of management fees;

(f) after deducting any gain over book value and after adding back any loss on book value arising on the sale, lease or other disposal of any asset by any member of the Group (other than on the sale of trading stock) during such period and any gain or loss arising on revaluation of any asset during such period, in each case, to the extent that it would otherwise be taken into account;

(g) after deducting any gains and adding any losses attributable to any exchange rate or translation differences of any member of the Group;

(h) after adding back the proceeds of a claim under any insurance to the extent that this relates to compensation for loss of profits and/or business interruption for such period;

(i) after adding back the amount of any deduction from profit (to the extent actually deducted) for such period attributable to pension costs recorded as interest under French accounting rules which is non-cash pay;

(j) after deducting the fixed element of any management fees payable whether or not paid in cash, deferred or capitalised during such period (excluding any monitoring fees payable to the Equity Sponsors) and before deducting any bank agency fees under, or referred to in, the Finance Documents or the Mezzanine Finance Documents;

(k) after deducting (to the extent otherwise included) the amount of profit (or adding back the loss) of any member of the Group which is attributable to the interests of any shareholder of or, as the case may be, partner in such member of the Group who is not a member of the Group; and

(l) after deducting the amount of profit of any entity (which is not a member of the Group) in which any member of the Group has an ownership interest to the extent that the amount of such profit included in the accounts of the Group exceeds the amount (net of any applicable withholding tax) received in cash by members of the Group through distributions by that entity.

For the avoidance of doubt, no profit from the purchase of any Outstandings pursuant to any Advance Buy-Back shall be taken into account in the calculation of Consolidated EBITDA.

"**Consolidated Total Borrowings**" means at any time and without double-counting, the aggregate at such time of the Financial Indebtedness of the members of the Group from sources external to the Group (excluding Shareholder Debt and the Coditel Debt Notes).

"**Consolidated Total Debt Service**" for any period, means Consolidated Total Net Cash Interest Payable for such period:

(a) plus Rolled-up Interest in respect of which the Company has elected to choose the cash pay option set out in paragraph (c) of Clause 9.9 (*Rolled-up Margin*); and

(b) plus all Financial Indebtedness of members of the Group which fell due for repayment or prepayment during such period (other than (i) any prepayments during such period resulting

from the application of Clause 8.4 (*Excess Cash Flow*)), (ii) any prepayment during such period funded from the proceeds of additional Advances made available under this Agreement after the Fourth Amendment Agreement Effective Date, (iii) the amount of any voluntary prepayment pursuant to Clause 7 (*Voluntary Prepayment*), (iv) any payment of principal in respect of Outstandings which have been the subject of an Advance Buy-Back and are held by Coditel Debt and (v) any principal amount which fell due under any overdraft or revolving credit facility and which was available for simultaneous redrawing according to the terms of such facility or a similar facility),

provided that any prepayment made pursuant to Clause 8.3 (*Proceeds of Senior Subordinated Notes and C (Additional Senior Financing) Facility Advances*) shall not be taken into account for each testing period which includes the Financial Quarter(s) in which such prepayment is made.

"**Consolidated Total Net Borrowings**" means at any time and without double-counting, the aggregate at such time of the Financial Indebtedness of the members of the Group from sources external to the Group (excluding Shareholder Debt and the Coditel Debt Notes) less the aggregate amount at that time of all Cash and Cash Equivalent Investments held by members of the Group provided, however, that to the extent the principal amount of any such Financial Indebtedness not denominated in euro is subject to a foreign exchange Hedging Agreement with respect to euro the principal amount of that Financial Indebtedness expressed in euro will be calculated on the basis of the applicable exchange rate used in such foreign exchange Hedging Agreement.

"**Consolidated Total Net Cash Interest Payable**" for any period, means the aggregate amount of Interest charged (or accrued) and payable (whether or not actually paid) during such period by any member of the Group (but not including any Interest which is capitalised or rolled up (including under Shareholder Debt or any Coditel Debt Notes)) after deducting therefrom all Interest receivable (whether or not actually received) by any member of the Group, adjusted to take account of the net amount of any Interest receivable (whether or not actually received) or charged (or accrued) and payable (whether or not actually paid) by members of the Group under Hedging Agreements under which all parties are in compliance with their material obligations. There shall be excluded from the calculation of Consolidated Total Net Cash Interest Payable:

(a) the arrangement and underwriting fee referred to in Clause 11.2 (*Arrangement and Underwriting Fee*) and payable by the Company to the C Facility Mandated Lead Arranger;

(b) any other financing fees payable by the Company or any other Obligor in connection with the Refinancing and the implementation of the C Facility;

(c) 2009 Amendment Costs and any Senior Note Issue Costs;

(d) Rolled-up Interest (including Rolled-up Interest in respect of which the Company has elected to choose the cash pay option set out in paragraph (c) of Clause 9.9 (*Rolled-up Margin*)); and

(e) interest charged, accruing or payable in respect of any Outstandings which have been the subject of an Advance Buy-Back and are held by Coditel Debt.

To the extent that the Group's currency exposure in respect of Interest payable on Financial Indebtedness denominated in currencies other than euros is hedged, in calculating the amount of Consolidated Total Net Cash Interest Payable payments under such currency hedging shall increase the amount of Consolidated Total Net Cash Interest Payable and receipts under such currency hedging shall reduce the amount of Consolidated Total Net Cash Interest Payable.

"**Consolidated Total Senior Net Borrowings**" means, at any time, Consolidated Total Net Borrowings excluding (to the extent included in Consolidated Total Net Borrowings, and without double counting) Financial Indebtedness of the Group which is subordinated to the Facilities under the Intercreditor Agreement, the Senior Subordinated Notes Intercreditor Deed or otherwise on terms acceptable to the Instructing Group.

"**Covenant Agreement**" means, in respect of any C (Additional Senior Financing) Facility Advance funded, or the acquisition of, participation in or refinancing of which is funded, by Refinancing Debt, the covenant agreement between the Parent, any other Obligors, the relevant C (Additional Senior Financing) Facility Lender and any Refinancing Directing Representative in respect of the Refinancing Debt used to fund, acquire, participate in or refinance that C (Additional Senior Financing) Facility Advance pursuant to which the Parent and such other Obligors agree to be bound pursuant to the corresponding Refinancing Debt Documents (and consistent with the Refinancing Debt Major Terms (but not including any payment obligation)) by certain covenants and/or other terms in relation to that C (Additional Senior Financing) Facility Advance and/or that certain matters will constitute an "Event of Default" for the purposes of the covenant agreement provided that the rights and remedies of the Refinancing Creditors of any such Refinancing Debt under such covenant agreement against the Parent and the other Obligors will be limited to a right to instruct the relevant C (Additional Senior Financing) Facility Lender or the Refinancing Directing Representative in respect of such Refinancing Debt to:

(a) accelerate the corresponding C (Additional Senior Financing) Facility Advance in accordance with and to the extent permitted under Clause 22.18 (*Acceleration*); and

(b) vote in connection with any enforcement action in accordance with and to the extent permitted under the terms of the corresponding C (Additional Senior Financing) Facility Voting Undertaking.

"**Covenant Capital Expenditure**" has the meaning set out in Clause 19.2 (*Covenant Capital Expenditure*).

"**CPE Capital Expenditure**" for any given period is the amount of Capital Expenditure incurred (i) for customer premise equipment and (ii) for installations performed during such period within the premises of subscribers (up to €15 per revenue generating unit with respect to such installations excluding for the avoidance of doubt the cost of customer premise equipment).

"**Deed Poll**" means any deed poll entered into by the Parent and Coditel Debt in the agreed form and containing the restrictions and renunciations described in paragraph 1(d) of Appendix 2 to a consent request letter from the Company to the Agent dated 13 November 2009.

"**Default**" means an Event of Default or a Potential Event of Default.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"**Designated Website**" has the meaning set out in Clause 35.4 (*Use of Websites*).

"**Directing Representative Amount**" has the meaning set out in Clause 11.6(a)(iii) (*C (Additional Senior Financing) Facility Amounts*).

"**Dormant Company**" means, as at and from the Initial Closing Date, each member of the Group which is not an Obligor, does not trade (whether for its own account or for that of another) and does not hold or own (whether legally or beneficially) any material assets or property or owe or have outstanding any material liabilities.

"**Double Taxation Treaty**" means in relation to a payment of interest on an Advance made to a Borrower, any convention or agreement between the government of the Relevant Tax Jurisdiction of that Borrower and any other government for the avoidance of double taxation with respect to taxes on income and capital gains which makes provision in relation to interest.

"**Effective Date**" means the date on which this Agreement is amended and restated pursuant to the Amendment and Restatement Agreement between, among others, the Agent and the Company.

"**Effective Overall Rates**" means the rates designated as such in the TEG Letters and in any further TEG Letters.

"**Eligible Liabilities**" has the meaning set out in paragraph 5 of Schedule 5 (*Mandatory Cost Formulae*).

"**Encumbrance**" means:

(a) a mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person (including a *nantissement*, *fiducie sûreté* and *transfert à titre de garantie*);

(b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect payment of sums owed or payable to any person; or

(c) any other type of preferential arrangement (including title transfer and retention arrangements) having a similar effect.

"**Environment**" means living organisms including the ecological systems of which they form part and the following media:

(a) air (including air within natural or man-made structures, whether above or below ground);

(b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and

(c) land (including land under water).

"**Environmental Claim**" means any administrative, regulatory or judicial action, suit, demand, demand letter, claim, notice of non-compliance or violation, investigation, proceeding, consent order or consent agreement relating to any Environmental Law or Environmental Licence.

"**Environmental Law**" means all laws and regulations of any relevant jurisdiction which:

(a) have as a purpose or effect the protection of, and/or prevention of harm or damage to, the Environment;

(b) provide remedies or compensation for harm or damage to the Environment;

(c) relate to Hazardous Substances or health or safety matters.

"**Environmental Licence**" means any Authorisations required at any time under Environmental Law.

"**Equity Sponsor Affiliate**" means the Equity Sponsors, each of their Affiliates, any trust of which an Equity Sponsor or any of their respective Affiliates is a trustee, any partnership of which an Equity Sponsor or any of their respective Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, one or more Equity Sponsors or any of their respective Affiliates, provided that any such trust, fund or other entity which has been established for at least six months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by an Equity Sponsor or any of its Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not be an Equity Sponsor Affiliate.

"**Equity Sponsors**" means (i) the Cinven Investors, (ii) the Carlyle Investors and (iii) Altice Six SA coming to the rights of (*venant aux droits* de) Altice Two SA or Altice Three SA or the persons controlling directly or indirectly Altice Six SA on the date hereof.

"**EURIBOR**" means, in relation to any amount owed by an Obligor hereunder in euro on which interest for a given period is to accrue:

(a) the rate per annum for deposits in euro which appears on the Relevant Page for such period at or about 11.00 am (Brussels time) on the Quotation Date for such period; or

(b) if no such rate is displayed and the Agent shall not have selected an alternative service on which such rate is displayed, the arithmetic mean (rounded upwards, if not already such a multiple, to four decimal places) of the rates (as notified to the Agent) at which each of the Reference Banks was offering to prime banks in the European Interbank Market deposits in euro for such period at or about 11.00 am (Brussels time) on the Quotation Date for such period.

"**European Interbank Market**" means the interbank market for euro operating in Participating Member States.

"**Event of Default**" means any of the circumstances described as such in Clause 22 (*Events of Default*).

"**Excess Cash Flow**" means in relation to any period, Consolidated Cash Flow for such period (excluding any portion of Net Proceeds not required to be applied in prepayment in accordance with Clause 8.2 (*Mandatory Prepayment from Receipts*)) less the aggregate of:

(a) Consolidated Total Debt Service for such period;

(b) any repayment of the Outstandings pursuant to Clause 7 (*Voluntary Prepayment*) and any prepayment of the Mezzanine Facilities (as permitted by the Intercreditor Agreement) during that period other than any prepayment resulting from the Refinancing;

(c) the greater of (i) the amount of Capital Expenditure committed in that period to be spent in the following financial year and (ii) the amount of Capital Expenditure unspent in that period which is permitted under this Agreement to be carried forward to the next financial year;

(d) the amount reasonably determined by the Company as being the additional amount of tax required to be paid by the Group in the following financial year compared to the aggregate amount of tax paid during that period;

(e) €10,000,000;

(f) any amounts added in determining Consolidated Cash Flow pursuant to paragraphs (r) and (s) of the definition thereof; and

(g) (to the extent not included in Consolidated Total Debt Service) any payments made pursuant to sub-paragraph (c)(ii) of Clause 21.22 (*Restriction on Payments*) and any Senior Note Issue Costs, in each case, made or paid during the relevant period.

"**Existing Encumbrance**" means any Encumbrance existing at the date hereof, brief details of which are set out in Part I of Schedule 8 (*Existing Encumbrances, Financial Indebtedness and Guarantees*).

"**Existing Facilities**" means:

(a) the €315,000,000 senior facilities agreement between, inter alia, Eno France SAS, Lehman Brothers, ING Bank NV and Calyon dated 7 October 2005 as amended and restated as of 23 November 2005;

(b) the €75,000,000 mezzanine facilities agreement between, inter alia, Eno France SAS, Lehman Brothers, ING Bank NV and Calyon dated 7 October 2005 as amended and restated as of 23 November 2005; and

(c) the €790,000,000 senior facilities agreement between, inter alia, Ypso France SAS, Numéricâble SAS, NC Numéricâble SNC, BNP Paribas and Calyon dated 15 December 2005 as amended pursuant to a "First Amendment Agreement" dated 8 March 2006.

"**Existing Financial Indebtedness**" means any Financial Indebtedness existing at the date hereof, brief details of which are set out in Part II of Schedule 8 (*Existing Encumbrances, Financial Indebtedness and Guarantees*).

"**Existing Mezzanine Debt**" means the amounts outstanding under the Mezzanine Facilities on the Refinancing Date immediately prior to the Mezzanine Facilities Prepayment.

"**Existing Second Lien Debt**" means the amounts outstanding under the Second Lien Facility on the Refinancing Date immediately prior to the Second Lien Facility Prepayment.

"**Expiry Date**" means, for a Letter of Credit, the last day of its Term.

"**Extended Facility**" means the A (Recap) 1-II Facility, A (Acq) 1-II Facility, B (Recap) 1-II Facility, B (Acq) 1-II Facility, B (Acq) 2-II Facility, C (Recap)-II Facility, C (Acq)-II Facility, Capital Investment Facility 1-II or Capital Investment Facility 2-II.

"**Extending Lender**" means a Consenting Lender which has Relevant Facilities Commitments and that has irrevocably and unconditionally consented (subject to the terms of the 2011 Consent Request), on or before the 2011 Consent Time, to participate in an Extended Facility in respect of all or part of its Relevant Facilities Commitments.

"**Facilities**" means the Term Facilities or the Additional Revolving Facility granted to the Borrowers in this Agreement, and "**Facility**" means any of them as the context may require.

"**Facility Office**" means:

(a) in relation to the Agent, the branch, agency or Affiliate ("**Office**") identified with its signature below or such other Office as it may, from time to time select for performance of its agency function under this Agreement and give notice of to the Company; and

(b) in relation to a Lender, the Office from time to time designated by it to the Agent and the Company for the purposes of this Agreement (or, in the case of a Transferee, at the end of the Transfer Certificate to which it is a party as Transferee) or such other office as such Lender may from time to time select.

"**Facility Proportion**", in relation to a Lender and in respect of a Facility, means:

(a) if there are no Outstandings under that Facility, the proportion borne by such Lender's Available Commitment in respect of the Facility to the Available Facility (or if the Available Facility is then zero, by its Available Commitment to the Available Facility immediately prior to its reduction to zero); and

(b) if there are any Outstandings under that Facility, the proportion borne by such Lender's share of the Outstandings to the total Outstandings, in each case, in respect of that Facility for the time being.

"**Fee Letters**" mean the fee letters referred to in Clauses 11.2 (*Arrangement and Underwriting Fee*) and 11.3 (*Agency Fee*).

"**Fees Rules**" has the meaning set out in paragraph 5 of Schedule 5 (*Mandatory Cost Formulae*).

"**Fifth Amendment Agreement**" means the fifth amendment and restatement agreement dated 8 September 2011 amending and restating this Agreement.

"**Fifth Amendment Agreement Effective Date**" has the meaning given to it in the Fifth Amendment Agreement.

"**Fifth Amendment Security Documents**" means:

(a) a first-ranking third party pledge by the Senior Subordinated Issuer over the Subordinated Parent Loans;

(b) a first-ranking pledge by the Parent over all the shares or other ownership interests in the Senior Subordinated Issuer and, if applicable, the Senior Subordinated Issuer GP;

(c) a first-ranking pledge by the Parent over the Subordinated Company Loans;

(d) to the extent not already pledged under the existing Security Documents, a first-ranking pledge by the Company over any Subsidiary Proceeds Loans;

(e) if the Parent has entered into a Cash Cover Undertaking, a first-ranking pledge by the Parent over the Cash Cover Account;

(f) any security document entered into pursuant to paragraph (j) of Clause 2.8 (*Additional Revolving Facility*); and

(g) any other security document entered into by a member of the Group or an Affiliate of any member of the Group and which grants Security in favour of the Finance Parties and is designated a Fifth Amendment Security Document by the Agent and the Company.

"**Fifth Amendment Structure Memorandum**" means the Structure Memorandum as defined in the Fifth Amendment Agreement.

"**Final Maturity Date**" means:

(a) in respect of the A Facility (other than, as from the 2011 Extension Effective Date, the A (Recap) 1-II Facility and the A (Acq) 1-II Facility) and the Capital Investment Facility (other than, as from the 2011 Extension Effective Date, the Capital Investment Facility 1-II and the Capital Investment Facility 2-II), the day which is the seventh anniversary of the Initial Closing Date;

(b) as from the 2011 Extension Effective Date and in respect of the A (Recap) 1-II Facility, the A (Acq) 1-II Facility, the Capital Investment Facility 1-II and the Capital Investment Facility 2-II, 6 June 2015;

(c) in respect of the B Facility (other than, as from the 2011 Extension Effective Date, the B (Recap) 1-II Facility, the B (Acq) 1-II Facility and the B (Acq) 2-II Facility), the day which is the eighth anniversary of the Initial Closing Date;

(d) as from the 2011 Extension Effective Date and in respect of the B (Recap) 1-II Facility, the B (Acq) 1-II Facility and the B (Acq) 2-II Facility, 6 June 2016;

(e) in respect of the Second Lien Facility, the day which is the ninth anniversary of the Initial Closing Date;

(f) in respect of the C Facility (other than, as from the 2011 Extension Effective Date, the C (Recap)-II Facility, the C (Acq)-II Facility and the C (Additional Senior Financing) Facility), 31 December 2015;

(g) as from the 2011 Extension Effective Date and in respect of the C (Recap)-II Facility and the C (Acq)-II Facility, 31 December 2017;

(h) in respect of each C (Additional Senior Financing) Facility tranche, each such date (not being earlier than 30 June 2018) as is specified in the relevant C (Additional Senior Financing) Facility Commitment Letter; and

(i) in respect of each Additional Revolving Facility Tranche, each such date (not being earlier than 31 March 2016) as is specified in the relevant Additional Revolving Facility Commitment Letter.

"**Finance Documents**" means:

(a) this Agreement, the Amendment and Restatement Agreement, the Fourth Amendment Agreement, the Fifth Amendment Agreement, any Accession Documents and Transfer Certificates;

(b) the Security Documents save that the Fifth Amendment Security Documents pursuant to which Security is granted by the Senior Subordinated Issuer shall be Finance Documents only for the purposes of the following provisions:

(i) Clauses 17.2 (*Power*) to 17.6 (*Obligations Binding*);

(ii) Clause 20.1 (*Authorisations and Consents*);

(iii) paragraphs (a) and (b) of Clause 20.11 (*Further Assurance*);

(iv) paragraph (b) of Clause 22.1 (*Payment Default*);

(v) Clause 22.3 (*Breach of Obligations*);

(vi) Clause 22.4 (*Misrepresentation*); and

(vii) Clause 22.5 (*Invalidity and Unlawfulness*);

(c) the Intercreditor Agreement and the Intercreditor Amendment and Restatement Agreements;

(d) any Senior Subordinated Notes Intercreditor Deed;

(e) the Hedging Agreements entered into pursuant to Clause 20.7 (*Hedging Arrangements*);

(f) the Commitment Letter;

(g) the Syndication Letter;

(h) the Fee Letters;

(i) any Deed Poll;

(j) any C (Additional Senior Financing) Facility Commitment Letter and any Additional Revolving Facility Commitment Letter;

(k) any C (Additional Senior Financing) Facility Voting Undertaking;

(l) any Ancillary Facility Document;

(m) any Cash Cover Undertaking; and

(n) any other agreement or document designated a "**Finance Document**" in writing by the Agent and the Company.

"**Finance Parties**" means the Agent, the Second Lien Agent, the Arrangers, the Security Agent, the Lenders, any Ancillary Lender and each Hedge Counterparty and "**Finance Party**" means any of them.

"**Financial Indebtedness**" means any Indebtedness for or in respect of:

(a) monies borrowed;

(b) any amount raised by acceptance under any acceptance credit facility;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Applicable Accounting Principles, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 210 days where such deferral is arranged primarily in order to raise finance or to finance the acquisition of those assets or services;

(g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(h) (for the purpose of this Agreement other than for the purpose of Clause 19 (*Financial Condition*) or any defined term used therein) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial or other institution; and

(j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"**Financial Quarter**" means the period commencing on the day immediately following any Quarter Date in each year, and ending on the next succeeding Quarter Date.

"**Fourth Amendment Agreement**" means the fourth amendment and restatement agreement dated 9 December, 2009 amending and restating this Agreement.

"**Fourth Amendment Agreement Effective Date**" means the date on which the amendments to this Agreement to be made by the Fourth Amendment Agreement become effective.

"**Fixed Capital Expenditure**" means for any given period Capital Expenditure less CPE Capital Expenditure incurred during such period.

"**French Borrower**" means a Borrower incorporated in France.

"**French Civil Code**" means the French *Code Civil*.

"**French Commercial Code**" means the French *Code de Commerce*.

"**French Consumer Code**" means the French *Code de la Consommation*.

"**French Tax Code**" means the French *Code Général des Impôts*.

"**French Obligor**" means an Obligor incorporated in France.

"**Funds Flow Memorandum**" means a memorandum in the agreed form setting out the sources and uses of funds, the bank account details and payment instructions in relation to flows of funds on the Initial Closing Date and the Acquisition Closing Date, in accordance with the Tax Structure Report.

"**Group**" means the Company and all Subsidiaries of the Company from time to time and as at the date of the Agreement as set out in Part I of Schedule 7 (*Group Structure Charts*), as at the Initial Closing Date as set out in Part II of Schedule 7 (*Group Structure Charts*), at the Acquisition Closing Date as set out in Part III of Schedule 7 (*Group Structure Charts*), at the date of the Amendment and Restatement Agreement as set out in Part IV of Schedule 7 (*Group Structure Charts*), at the date of the Fourth Amendment Agreement as set out in part V of Schedule 7 (*Group Structure Charts*) and at the date of the Fifth Amendment Agreement as set out in part VI of Schedule 7 (*Group Structure Charts*) and "**Group Structure Chart**" means each diagram referred to above.

"**Guarantors**" means the Original Guarantors and any Additional Guarantor and "**Guarantor**" means any one of them, as the context requires.

"**Hazardous Substance**" means any waste, pollutant, contaminant or other substance (including any liquid, solid, gas, ion, living organism or noise) that may be harmful to human health or other life or the Environment or a nuisance to any person or that may make the use or ownership of any affected land or property more costly.

"**Hedge Counterparty**" means each party to an Acceptable Hedging Agreement which (i) was an Arranger or a Lender (or an Affiliate thereof) on the date such Acceptable Hedging Agreement was entered into or (ii), if at the time the Acceptable Hedging Agreement is entered into less than five Lenders are active in the relevant derivatives market, any other entity which has agreed to enter into such Acceptable Hedging Agreement and accede to the Intercreditor Agreement and "**Hedge Counterparties**" mean all such parties.

"**Hedging Agreement**" means any agreement in respect of an interest rate swap, currency swap, forward foreign exchange transaction, cap, floor, collar or option transaction or any other treasury transaction or any combination thereof or any other transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"**Holding Company**" means a company or corporation of which another company or corporation is a Subsidiary.

"**IFPECs**" means the €12.6 million Interest Free Preferred Equity Certificates issued by Coditel SàRL in favour of the Parent.

"**Increased Cost**" means:

(a) any reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;

(b) any additional or increased cost; or

(c) any reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having agreed to make available its or having funded or performed its obligations under any Finance Document.

"**Indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent (including interest and other charges relating thereto), but excluding accounts payable incurred in the ordinary course of trade.

"**Information Memorandum**" means the document concerning the Group which, at the request of the Company and on its behalf, is to be prepared in relation to this transaction by the Mandated Lead Arrangers in consultation with the Company and distributed to selected potential lenders for the purposes of syndication of the Facilities (other than the C (Additional Senior Financing) Facility and the Additional Revolving Facility).

"**Information Package**" means the Information Memorandum, the Reports and the Agreed Base Case.

"**Initial Certain Funds Period**" means the period from and including the date of this Agreement to and including the date falling 90 days after the Commitment Date.

"**Initial Closing Date**" means the date on which all conditions precedent to the Utilisation of the A (Recap) Facility, the B (Recap) Facility and the Second Lien (Recap) Facility have been fulfilled or waived, on the terms set out in this Agreement.

"**Initial Commercial Report**" means the report prepared by Analysys referred to in paragraph 2(a) of Part I of Schedule 3 (*Conditions Precedent*).

"**Initial Reports**" means the Legal Report, the Initial Commercial Report and the Tax Structure Report.

"**Initial Restructuring**" means:

(a) prior to the Initial Closing Date, the merger of the company named Ypso Holding S.àR.L. into the Parent and the merger of Ypso France SAS into the Company, as described in the Tax Structure Report; and

(b) after the date of this Agreement and on the Initial Closing Date:

(i) the refinancing by Coditel S.àR.L. of its €76.5m (principal amount) shareholder loan; and

(ii) the distribution of merger premium by the Company,

each as described in the Tax Structure Report.

"**Initial Restructuring Documents**" means each document relating to the Initial Restructuring listed in Schedule 11 (*List of Initial Restructuring Documents*) and each other document relating to the Initial Restructuring in the agreed form provided to the Agent by the Company.

"**Instructing Group**" means, without prejudice to the principles set out in any C (Additional Senior Financing) Facility Voting Undertaking, a Lender or group of Lenders representing in aggregate more than 66⅔ per cent. of the aggregate amount of (a) the Outstandings (or, if there are no Outstandings at such time, the Outstandings immediately prior to repayment thereof), (b) the Available Commitments and (c) the Ancillary Commitments.

"**Intellectual Property Rights**" means any patent, trade mark, service mark, registered design, trade name or copyright or any license to use any of the same.

"**Intercompany Loans**" means each loan listed in Schedule 14 (*Intercompany Loans*) together with (i) the loans from ENO Belgium SPRL to the Company and AFE which are to be granted on the Initial Closing Date and the Acquisition Closing Date and (ii) the loans from AFE to the Target and certain Subsidiaries of the Target on the Acquisition Closing Date, in accordance with the Tax Structure Report and/or the Funds Flow Memorandum.

"**Intercompany Loan Agreements**" means the instruments and agreements constituting, and all other instruments or agreements evidencing, the Intercompany Loans and all loan notes constituted and issued pursuant to such instruments and for the time being outstanding.

"**Intercreditor Agreement**" means the intercreditor deed dated the date of this Agreement and as amended and restated on the Fifth Amendment Agreement Effective Date between, *inter alia*, the Parent, the Company, the Agent, the Security Agent, the Lenders, the Hedge Counterparties, the Original Borrowers, the Original Guarantors, the Intergroup Creditors and the Intergroup Debtors.

"**Intercreditor Amendment and Restatement Agreements**" means the amendment and restatement agreements relating to the Intercreditor Agreement dated 18 July 2006, 12 March 2007 and on or about the date of the Fifth Amendment Agreement respectively.

"**Intergroup Creditor**" means any member of the Group who is a creditor in relation to monies owed to another member of the Group under an Intercompany Loan or a loan from one Obligor to

another Obligor permitted under Clause 21.3(a) (*Intra-Group Transactions*) or Clause 21.9(b) or 21.9(c) (*Loans*).

"**Intergroup Debtor**" means any member of the Group who is a debtor in relation to monies owed to it by another member of the Group under an Intercompany Loan or a loan from one Obligor to another Obligor permitted under Clause 21.3(a) (*Intra-Group Transactions*) or Clause 21.9(b) or 21.9(c) (*Loans*).

"**Interest**" means:

(a) interest and amounts in the nature of interest accrued in respect of any Financial Indebtedness;

(b) discounts suffered and repayment premiums payable in respect of Financial Indebtedness, in each case to the extent Applicable Accounting Principles require that such discounts and premiums be treated as or in like manner to interest;

(c) discount fees and acceptance fees payable or deducted in respect of any Financial Indebtedness (other than Shareholder Debt) (including all fees payable in connection with any letters of credit or guarantees);

(d) any other costs, expenses and deductions of the like effect and any net payment (or, if appropriate in the context, receipt) under any Hedging Agreement or like instrument, taking into account any premiums payable for the same, and the interest element of any net payment under any Hedging Agreement (excluding amortisation of Acquisition Costs); and

(e) commitment and non-utilisation fees but excluding agent's fees, front-end, management, arrangement and participation fees and prepayment *premia* with respect to any Financial Indebtedness (including, without limitation, all those payable under the Finance Documents) and any up-front premium or front-end fee payable in connection with any Hedging Agreements entered into with a Hedge Counterparty pursuant to Clause 20.7 (*Hedging Arrangements*).

For the avoidance of doubt, the waiver fee payable pursuant to the 24 June 2008 amendment letter is not Interest.

"**Interest Period**" means, save as otherwise provided herein, any of those periods mentioned in Clause 9.1 (*Interest Periods for Term Facility Advances*).

"**Investor Document**" means a memorandum summarising the relevant key points of the Subscription and Shareholders Agreement, the constitutional documents of the Parent and an extract of the management fee calculation provisions of the service agreement between the Company and Altice Services.

"**Issuing Bank**" means, in respect of a Letter of Credit issued or to be issued pursuant to the terms of this Agreement, a person which has issued or agreed to issue that Letter of Credit provided that, at the time of issue thereof, such person is a Lender.

"**Joint Venture**" means any joint venture, partnership or similar arrangement or any investment in an entity that is not a member of the Group.

"**Law**" means common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction and any present or future directive, regulation, practice, concession or requirement having the force of law issued by any governmental body, agency or department or any central bank or other fiscal, monetary, regulatory, self-regulatory or other authority or agency.

"**L/C Proportion**" means, in relation to an Additional Revolving Facility Lender and in respect of any Letter of Credit, the proportion (expressed as a percentage) borne by that Additional Revolving Facility Lender's Available Additional Revolving Facility Commitment under the relevant Additional Revolving Facility Tranche to the Available Facility in respect of that Additional Revolving Facility Tranche immediately prior to the issue of that Letter of Credit, adjusted to reflect any assignment or transfer under this Agreement to or by that Additional Revolving Facility Lender.

"**Legal Report**" means the Franklin due diligence report dated December 2004 relating to the acquisition of Numéricâble and the Freshfields Bruckhaus Deringer due diligence report dated 28 July 2005 relating to the acquisition of Altice One, together with reports prepared respectively by Franklin and Freshfields Bruckhaus Deringer providing a high-level summary of significant corporate events since the date of the two original due diligence reports.

"**Lender**" means a financial or other institution or trust, fund or other entity which:

(a) is named in Schedule 1 (*Lenders and Commitments*);

(b) is named in Schedule 1 (*Lenders and Commitments*) to a C (Additional Senior Financing) Facility Commitment Letter;

(c) is named in an Additional Revolving Facility Commitment Letter; or

(d) has become a party hereto in accordance with the provisions of Clause 32 (*Assignments and Transfers*),

which in each case has not ceased to be a party hereto in accordance with the terms hereof.

"**Lender Hedge Counterparty**" means each Hedge Counterparty which was an Arranger or a Lender (or an Affiliate thereof) on the date such Hedging Agreement was entered into.

"**Letter of Credit**" means:

(a) a letter of credit, substantially in the form set out in Schedule 27 (*Form of Letter of Credit*) or in any other form requested by a Borrower (or the Company on its behalf) and agreed by the relevant Issuing Bank and, if required under the terms of the applicable Additional Revolving Facility Commitment Letter, the Instructing Group (calculated by reference to the relevant Additional Revolving Facility Tranche only); or

(b) any guarantee, indemnity or other instrument in a form requested by a Borrower (or the Company on its behalf) and agreed by the relevant Issuing Bank and, if required under the terms of the applicable Additional Revolving Facility Commitment Letter, the Instructing Group (calculated by reference to the relevant Additional Revolving Facility Tranche only).

"**LIBOR**" means in relation to any Advance under the C (Additional Senior Financing) Facility or the Additional Revolving Facility which is denominated in an Optional Currency for any given period:

(a) the rate per annum for deposits in that Optional Currency which appears on the Relevant Page for such period at or about 11.00 am (London time) on the Quotation Date for such period; or

(b) if no such rate is displayed and the Agent shall not have selected an alternative service on which such rate is displayed, the arithmetic mean (rounded upwards, if not already such a multiple, to four decimal places) of the rates (as notified to the Agent) at which each of the Reference Banks was offering to prime banks in the London Interbank Market deposits in that Optional Currency for such period at or about 11.00 am (London time) on the Quotation Date for such period.

"**Listing**" means an offering of all or any part of the share capital of the Company by the Company or of all or any part of the share capital of any Holding Company of the Company by such Holding Company on any recognised investment exchange or any other sale or issue by way of flotation or public offering or any equivalent circumstances in relation to any of such companies in any jurisdiction or country.

"**Luxembourg**" means the Grand Duchy of Luxembourg.

"**Luxembourg Civil Code**" means the Luxembourg Civil Code.

"**Majority Second Lien Facility Lenders**" means, at any time, a Second Lien Facility Lender or Second Lien Facility Lenders whose Available Commitments under the Second Lien Facility and participations in the Second Lien Facility Loans then outstanding aggregate more than 66⅔ per cent. of the Available Facility under the Second Lien Facility and the Second Lien Facility Loans then outstanding.

"**Mandatory Cost**" means the percentage rate per annum calculated by the Agent in accordance with Schedule 5 (*Mandatory Cost Formulae*).

"**Material Adverse Effect**" any event which in all the circumstances:

(a) is materially adverse to the ability of any Obligor to perform any of its payment obligations under any Finance Document or Mezzanine Finance Document (taking into account the financial resources available from other Group companies taken as a whole); or

(b) subject to the Reservations and any perfection requirements which are not overdue, affects the validity or the enforceability of any of the Finance Documents in a manner which would be materially adverse to the interests of the Lenders and if capable of remedy, is not remedied within 21 Business Days of the Company becoming aware of the issue or being given notice of the issue by the Agent.

"**Material Subsidiary**" means, at any time, an Obligor (excluding, for the avoidance of doubt, any Senior Subordinated Issuer and any Senior Subordinated Issuer GP) and any other member of the Group whose EBITDA or assets represent at least 5% of the EBITDA or the assets of the Group.

"**Mayer Brown Structure Report**" means the report entitled "Group Ypso—Partial Refinancing" prepared by Mayer Brown dated 14 October 2009.

"**Mezzanine Agent**" means the Agent as defined in the Mezzanine Facility Agreement.

"**Mezzanine Arrangers**" means the Arrangers as defined in the Mezzanine Facility Agreement.

"**Mezzanine Facilities**" means the Mezzanine (Recap) Facility and the Mezzanine (Acq) Facility made available under the Mezzanine Facility Agreement.

"**Mezzanine Facility Agreement**" means the €500,000,000 mezzanine facility agreement dated on or about the date of this Agreement as amended and restated on 18 July 2006, 28 July 2006 and 16 August 2006 between the Parent, certain Subsidiaries of the Parent as borrowers and guarantors and the Mezzanine Agent and Arrangers.

"**Mezzanine Finance Documents**" means the Finance Documents as defined in the Mezzanine Facility Agreement.

"**Mezzanine Finance Parties**" means the Finance Parties as defined in the Mezzanine Facility Agreement.

"**Mezzanine Facilities Prepayment**" means the prepayment in full of the Existing Mezzanine Debt on the Refinancing Date.

"**Mezzanine Lenders**" means the Lenders defined in the Mezzanine Facility Agreement.

"**Mezzanine (Acq) Facility**" means the term loan facility in an aggregate amount of €185,000,000 granted to AFE pursuant to clause 2.1(b) (*The Facilities*) of the Mezzanine Facility Agreement.

"**Mezzanine (Recap) Facility**" means the term loan facility in a maximum amount of €315,000,000 granted to the Company pursuant to clause 2.1(a) (*The Facilities*) of the Mezzanine Facility Agreement.

"**Net Proceeds**" means in relation to any disposal, the total cash consideration (including when received, any such cash consideration receivable by way of deferred instalment of purchase price and any repayment of indebtedness owed to continuing members of the Group) received by any member or members of the Group in respect of the disposal from the Group of any member of the Group or of all or any part of the business, undertaking or assets of any member of the Group but after deduction of:

(a) the amount of any tax required to be paid as a result of the disposal;

(b) all other reasonable costs and expenses incurred by continuing members of the Group in connection with arranging or effecting that disposal (including in relation to redundancy, closure, restructuring and other reorganisation costs both preparatory to and in consequence of the relevant disposal or claim); and

(c) such amount as the auditors shall confirm in writing to the Agent is a reasonable provision for amounts likely to be payable under the agreement giving effect to the disposal in respect of any third party liability assumed in connection with any disposal provided that any provision so deducted shall be applied in prepayment in accordance with Clause 8.2 (*Mandatory Prepayment from Receipts*) to the extent that the relevant provision is released without payment of the relevant third-party liability.

"**New Second Lien Facility**" has the meaning given to it in Clause 2.6 (*Structure Flex*).

"**New Security Documents**" means each of the Security documents listed in Part VII B of Schedule 3 (*Conditions Precedent*).

"**Non-Cooperative Jurisdiction**" means a "non-cooperative State or territory" (*Etat ou territoire non-coopératif*) as set out in the list referred to in Article 238-0A of the French Tax Code, as such list may be amended from time to time.

"**Non-Extended Facility**" means the A (Recap) 1-I Facility, A (Acq) 1-I Facility, B (Recap) 1-I Facility, B (Acq) 1-I Facility, B (Acq) 2-I Facility, C (Recap)-I Facility, C (Acq)-I Facility, Capital Investment Facility 1-I or Capital Investment Facility 2-I.

"**Non-Funding Lender**" has the meaning set out in Clause 15 (*Replacement of Lender*).

"**Obligor/non-Obligor Basket**" means €50,000,000 (or its equivalent) in aggregate at any time in respect of all amounts outstanding at that time under sub-paragraph (a)(v) of Clause 21.3 (*Intra-Group Transactions*) (provided that dividends paid by members of the Group which are not Obligors to Obligors shall not be deemed to reduce the amount of subscription and investment outstanding under this basket), paragraph (f) of Clause 21.8 (*Guarantees and Indemnities*) and paragraph (e) of Clause 21.9 (*Loans*).

"**Obligors**" means the Original Obligors, the Borrowers, the Guarantors and in respect solely of the following provisions only, the Senior Subordinated Issuer (if any):

(a) Clauses 17.1 (*Incorporation*) to 17.6 (*Obligations Binding*);

(b) Clause 17.26 (*Centre of Main Interests and Establishments*);

(c) Clause 20.1 (*Authorisations and Consents*);

(d) in so far only as it relates to the Fifth Amendment Security Documents pursuant to which Security is granted by the Senior Subordinated Issuer, paragraphs (a), (b) and (e) of Clause 20.11 (*Further Assurance*);

(e) paragraph (b) of Clause 22.1 (*Payment Default*);

(f) Clause 22.3 (*Breach of Obligations*);

(g) Clause 22.4 (*Misrepresentation*);

(h) Clause 22.5 (*Invalidity and Unlawfulness*);

(i) Clause 22.7 (*Insolvency*);

(j) Clause 22.8 (*Winding-up*);

(k) to the extent only that it relates to the assets which are the subject of the Fifth Amendment Security Documents pursuant to which Security is granted by the Senior Subordinated Issuer, Clause 22.9 (*Execution or Distress*); and

(l) Clause 22.10 (*Similar Events Elsewhere*),

and "**Obligor**" (in the case of the Senior Subordinated Issuer, to the above extent only) means any of them.

"**Obligors' Agent**" means the Company in its capacity as agent for the Obligors, pursuant to Clause 25.18 (*Obligors' Agent*).

"**Opening Financial Statements**" means:

(a) the audited financial statements of Numéricâble and NC Numéricâble for the financial year ending 31 March 2006;

(b) the audited statutory financial statements of Coditel Brabant for the financial year ending on 31 December 2005;

(c) the audited statutory financial statements of each of AFE and Est Videocom for the financial year ending on 31 December 2005;

(d) audited statutory accounts of Coditel S.àR.L. for the financial year ending on 31 December 2005; and

(e) unaudited financial statements for each Borrower (including the Company) for the financial quarters ending on 31 December 2005 and 31 March 2006 (or, if not available, the most recent available).

"**Optional Currency**" means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.4 (*Conditions relating to Optional Currencies*).

"**Original Guarantors**" means the Parent and the Original Borrowers, and "**Original Guarantor**" means each of them.

"**Original Obligors**" means the Original Borrowers, the Original Guarantors and any party (other than a Finance Party) to any Security Documents on the Initial Closing Date, all after giving effect to the accession of the members of the Group to such documents on such date.

"**Outstandings**" means the Term Facility Outstandings and the Additional Revolving Facility Outstandings or, in the context of any Advance Buy-Back, all or part of the aggregate principal amount of any Advance(s) owing to a Lender.

"**Paper Form Lender**" has the meaning set out in Clause 35.4 (*Use of Websites*).

"**Participating Member State**" means any member of the European Communities that at the relevant time has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to European Monetary Union.

"**PECs**" means preferred equity certificates.

"**Permitted Acquisition**" means:

(a) an acquisition of the whole business or all of the issued share capital of a company (save for directors' shares and shares held by other persons as required to comply with rules relating to minimum numbers of shareholders) carrying on a related business to the Group and acquired with Retained Excess Cash Flow and/or Net Proceeds from disposals not required to be applied in prepayment of the Facilities and/or any Private Equity Contributions and/or the proceeds of Advances under the Capital Investment Facility and **provided in each case that**:

(i) such company is projected to have positive EBITDA (taking into account any pro forma cost savings reasonably anticipated as a result of the acquisition) in the 12 months immediately following the acquisition;

(ii) the Company demonstrates pro forma compliance with financial covenants in the 12 months immediately following the acquisition (taking into account any pro forma cost savings reasonably anticipated as a result of the acquisition);

(iii) the company has no material contingent liabilities which would be required to be included in its financial statements in accordance with Applicable Accounting Principles (other than (i) pension liabilities which are fully provided for by the relevant target in accordance with applicable law provided that immediately following the proposed acquisition there would be no breach of the general undertaking relating to pensions in relation to the proposed target and the Group expects to remain in compliance therewith in relation to the proposed target, (ii) contingent liabilities which arise in the ordinary course of trading and (iii) guarantees which are otherwise permitted to be retained under the terms of this Agreement);

(iv) the Chief Financial Officer and another director of the Company have confirmed that customary due diligence has been undertaken in relation to the target;

(v) no Event of Default has occurred and is outstanding on the date of the acquisition; and

(vi) in respect of any acquisition to be made which exceeds €75 million, the Company provides to the Agent projections (on a *pro forma* basis taking into account such acquisition (including cost savings and other synergies) which the Company (acting reasonably) believes can be obtained after the acquisition and excluding non-recurring costs) demonstrating that the financial covenants set out in Clause 19 (*Financial Condition*) will be satisfied with at least 10% headroom for the acquisition for the 12 month period following the acquisition;

(b) an acquisition which is approved by the Instructing Group; and

(c) an acquisition of the shares of any member of the Group provided that:

(i) the vendor of such shares is not a member of the Group and is a minority shareholder;

(ii) such shares are acquired using Retained Excess Cash Flow and/or Net Proceeds from disposals not required to be applied in pre-payment of the Facilities and/or any Private Equity Contributions; and

(iii) no Event of Default has occurred and is outstanding on the date of such acquisition.

"**Permitted Asset Finance Arrangement**" means Financial Indebtedness incurred within 270 days of any acquisition, construction or improvement of fixed or capital assets and incurred to finance or refinance such acquisition, construction or improvement of fixed or capital assets, provided that the aggregate outstanding amount of such Financial Indebtedness does not exceed at any time €25,000,000 (or its equivalent).

"**Permitted Encumbrances**" has the meaning set out in Clause 21.5 (*Negative Pledge*).

"**Permitted Funding Sources**" means:

(a) Financial Indebtedness incurred by the Parent (provided that it (i) is incurred in consideration of a payment in cash (unless it is incurred in consideration of a contribution of Outstandings made at the direction of one or more Equity Sponsors), (ii) is subordinated to the rights of the Finance Parties hereunder on the terms of the Intercreditor Agreement or otherwise on terms satisfactory to the Agent, (iii) has a maturity longer than the C Facility, (iv) contains no events of default or other prepayment or repayment rights which would allow the lender to require repayment prior to maturity except in accordance with paragraphs (b) or (c) of Clause 21.22 (*Restriction on Payments*), (v) does not provide for cash pay interest except to the extent permitted under paragraphs (b) or (c) of Clause 21.22 (*Restriction on Payments*) and (vi) does not receive any credit support from any member of the Group); and

(b) any share issue by, or contribution to the capital of, the Parent not constituting a Change of Control,

in each case, on, as a condition precedent to or after the Fourth Amendment Agreement Effective Date.

"**Permitted Indebtedness**" has the meaning set out in Clause 21.7 (*Indebtedness*).

"**Permitted Restructuring**" means:

(a) any corporate amalgamation, consolidation or merger referred to in Step 5, Step 6, Step 7 and Step 8 on pages 44, 45, 47 and 49 respectively of the Tax Structure Report, including the merger of AFE into the Company and the merger of NC Numéricâble, Est Videocom and Numéricâble SAS, provided that such reorganisation (i) is carried out in accordance with the Tax Structure Report; (ii) has a neutral tax effect as described therein (or if not neutral, a negative cash impact limited to €30,000,000 in aggregate over the life of the Facilities (as demonstrated by a revised structure memorandum and base case delivered to the Agent) or a negative impact of up to €100,000,000 on the net operating losses carried forward by the members of the Group (as demonstrated by a revised structure memorandum and base case delivered to the Agent); (iii) all corporate steps in respect of such merger have been carried out and (iv) there is no adverse impact on the security of the Finance Parties;

(b) any corporate amalgamation, consolidation or merger between members of the Group, *provided* that (i) such amalgamation, consolidation or merger shall not result in increased tax liabilities (including increased tax liabilities resulting from any potential negative impact of such amalgamation, consolidation or merger on the carried over tax losses of any Subsidiaries) for the Group that would result in a material increase in tax as compared to the Agreed Base Case and (ii) any amalgamation, consolidation or merger shall not adversely affect any Security granted to the Finance Parties under the Security Documents and provided all reasonable steps required for the preservation (or replication) of the Security Documents are taken; and

(c) the steps referred to in Operation 4 of the Tax Structure Report.

"**Pledged Securities**" means any securities pledged by the Obligors or any of their Subsidiaries or Holding Companies to the Beneficiaries pursuant to the Security Documents.

"**Potential Event of Default**" means any event which with the giving of notice or the lapse of time or the making of any determination or fulfilment of any condition provided for in Clause 22 (*Events of Default*) would or would reasonably be expected to constitute an Event of Default, provided that any such event or circumstance which requires the satisfaction of any condition as to materiality before it may become a Potential Event of Default shall not be a Potential Event of Default until that condition is satisfied.

"**Private Equity Contribution**" means:

(a) any capital contribution (made in cash) to the Company by the Parent (which amounts may be invested by the Company and/or its wholly-owned Subsidiaries to the Borrowers and their Subsidiaries); or

(b) the incurrence by the Company of unsecured Financial Indebtedness (incurred in consideration of a payment in cash) (i) provided to it by the Parent pursuant to a shareholder loan or other debt instrument which is subordinated to the Finance Documents and the Mezzanine Finance Documents and which provide that there is no cash pay interest, no events of default other than insolvency and a maturity longer than the C Facility or, if a New Second Lien Facility is implemented, 15 June 2016, (ii) having a maturity exceeding that of all Financial Indebtedness under the Finance Documents and (iii) in respect of which no cash payments (whether of principal interest or otherwise) may be made until all obligations under or in respect of the Finance Documents have been indefeasibly paid in full and all commitments to extend credit in respect thereof have terminated (which amounts may be contributed or invested by the Company to their respective Subsidiaries), except as expressly permitted in this Agreement.

"**Proceedings**" has the meaning set out in Clause 42.1 (*Courts of England*).

"**Proportion**", in relation to a Lender, means:

(c) if there are no Outstandings, the proportion borne by the aggregate of such Lender's Available Commitments to the Available Facilities (or if the Available Facilities are then zero, by its Available Commitments to the Available Facilities immediately prior to their reduction to zero); and

(d) if there are any Outstandings, the proportion borne by such Lender's share of the Outstandings to the total Outstandings for the time being.

"**Protected Party**" means a Finance Party or any Affiliate of a Finance Party which is or will be subject to any Tax Liability in relation to any amount payable under or in relation to a Finance Document.

"**Purchaser**" means the member of the Group which makes the Acquisition.

"**Quarter Date**" means any of 31 March, 30 June, 30 September and 31 December.

"**Qualifying Auction**" means an auction complying with Schedule 17 (*Qualifying Auction Mechanics*).

"**Qualifying Finance Party**" means a Lender:

(a) other than a C (Additional Senior Financing) Facility Lender, an Additional Revolving Facility Lender or an Extending Lender, which is lending through a Facility Office in the jurisdiction of incorporation of the relevant Borrower (and, where that jurisdiction is France and that Lender is resident in a jurisdiction other than France, provided that any interest received by that Lender under the Finance Documents is included within the profits attributable to that Lender's Facility Office that are subject to French corporation tax at the standard rate), or

(b) which is resident in a jurisdiction with which the jurisdiction of residence of the relevant Borrower has an appropriate tax treaty whose terms provide for full relief from applicable income and withholding taxes in that jurisdiction in respect of interest payable under this Agreement to that person, provided that such Lender is entitled to the benefits of the tax treaty, or

(c) which is able to benefit from full withholding tax exemption under the terms of the domestic law of the relevant Borrower.

"**Quotation Date**" means, in relation to any currency and any period for which an interest rate is to be determined:

(a) if the relevant currency is euro, two TARGET Days before the first day of that period; or

(b) for any other currency, two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Date for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one Business Day, the Quotation Date will be the last of those days).

"**Reallocation Date**" means 2 August 2006.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Recovering Lender**" has the meaning set out in Clause 30.1 (*Payments to Lenders*).

"**Reference Banks**" means the principal Paris offices of Calyon, HSBC and Société Générale and/or such other bank or banks as may be appointed as such by the Agent after consultation with the Company.

"**Refinancing**" means the Second Lien Facility Prepayment and the Mezzanine Facilities Prepayment.

"**Refinancing Consultation Final Date**" means the date, as determined by the Agent at its sole discretion (acting reasonably), on which the period of consultation with the Lenders in respect of the Refinancing, and in accordance with this Agreement, ends.

"Refinancing Creditor" means any creditor in respect of Refinancing Debt.

"**Refinancing Date**" means the date on which the Refinancing is carried out.

"**Refinancing Debt**" means debt raised for the purpose of funding, acquiring, refinancing or participating in the relevant C (Additional Senior Financing Facility) tranche and complying with the Refinancing Debt Major Terms (including Senior Secured Notes, as the case may be).

"**Refinancing Debt Acceleration Event**" has the meaning given to it in Clause 22.6 (*Cross Default*).

"**Refinancing Debt Additional Amount**" has the meaning given to it in Clause 11.6(a)(iv) (*C (Additional Senior Financing) Facility Amounts*).

"**Refinancing Debt Documents**" means, in relation to any Refinancing Debt, the Refinancing Instrument, any fee letter entered into under or in connection with the Refinancing Instrument and any other document or instrument relating to that Refinancing Debt and designated as such by the Company and the relevant C (Additional Senior Financing) Facility Lender (including any Senior Secured Notes Documents, as the case may be).

"**Refinancing Debt Major Terms**" means those terms set out in Schedule 24 (*Refinancing Debt Major Terms*).

"**Refinancing Directing Representative**" means, in relation to any Refinancing Debt, each agent, trustee, security agent, security trustee or other relevant creditor representative in respect of that Refinancing Debt, or in each case, its nominee.

"Refinancing Instrument" means, in relation to any Refinancing Debt, the indenture, facility agreement or other equivalent document by which that Refinancing Debt is issued or, as the case may be, made available (including, as the case may be, any Senior Secured Notes Indenture).

"**Relevant Facilities Commitments**" means Commitments under the A (Recap) 1 Facility, the A (Acq) 1 Facility, the B (Recap) 1 Facility, the B (Acq) 1 Facility, the B (Acq) 2 Facility, the C (Recap) Facility, the C (Acq) Facility or the Capital Investment Facility.

"**Relevant Interbank Market**" means, in relation to euro, the European Interbank Market and, in relation to any other currency, the London interbank market.

"**Relevant Jurisdiction**" means, in relation to an Obligor:

(a) its jurisdiction of incorporation;

(b) any jurisdiction where any asset subject to or intended to be subject to the Security Documents to be created by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**Relevant Page**" means (i) the page of the Reuters or Telerate screen on which is displayed in relation to EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union for euro and, as applicable (ii) the page of the Reuters or Telerate screen on which is displayed in relation to LIBOR the British Bankers' Association Interest Settlement Rate for the relevant Optional Currency or, in each case, if such page or service shall cease to be available, such other page or service which displays the appropriate rate as the Agent, after consultation with the Lenders and the Company, shall select.

"**Relevant Tax Jurisdiction**" means any jurisdiction in which any person is liable to tax by reason of its incorporation, domicile, residence, place of management or other similar criteria (but not any jurisdiction in respect of which that person is liable to tax by reason only of a source of income in that jurisdiction).

"**Renewal Request**" means a written notice delivered to the Agent in accordance with Clause 2.9(l).

"**Repayment Date**" means each of the dates specified in Clause 5 (*Repayment of Term Facility Outstandings*) as a Repayment Date in respect of the relevant Outstandings, provided that if any such day is not a Business Day in the relevant jurisdiction for payment, the Repayment Date will be the next succeeding Business Day.

"**Reports**" means the Initial Reports and the Acquisition Reports.

"**Reservations**" means the general principles of law limiting the obligations of any Obligor which are specifically referred to in, and other principles set out as qualifications as to matters of law set out in any legal opinion delivered pursuant to Schedule 3 (*Conditions Precedent*).

"**Restructuring Costs**" means exceptional one-off costs or expenditures incurred by the Group as evidenced in the Financial Statements delivered pursuant to Clause 18.1 (*Financial Statements*).

"**Retained Excess Cash Flow**" means in relation to any period, Excess Cash Flow for such period less any amount required to be applied in prepayment in accordance with Clause 8.4 (*Excess Cash Flow*).

"**Rolled-up Interest**" means the interest accrued in respect of each Advance at a rate equal to the Rolled-up Margin.

"**Rolled-up Margin**" means, in relation to each Facility and subject to Clause 9.9 (*Rolled-up Margin*), 1.25% per annum.

"**Rollover Advance**" means one or more Additional Revolving Facility Advances:

(a) made or to be made on the same day that:

(i) a maturing Additional Revolving Facility Advance is due to be repaid; or

(ii) a demand by the Agent or the relevant Issuing Bank pursuant to a drawing in respect of a Letter of Credit or payment of outstandings under an Ancillary Facility is due to be met;

(b) the aggregate amount of which is equal to or less than the amount of the maturing Additional Revolving Facility Advance or Ancillary Facility utilisation or the relevant claim in respect of that Letter of Credit;

(c) in the same currency as the maturing Additional Revolving Facility Advance (unless it arose as a result of the operation of paragraph (d) of Clause 4.4 (*Conditions relating to Optional Currencies*)); and

(d) made or to be made to the same Borrower for the purpose of:

(i) refinancing that maturing Additional Revolving Facility Advance or Ancillary Facility utilisation; or

(ii) satisfying the relevant claim in respect of that Letter of Credit.

"**Second Lien Agent**" means any person which has been appointed as agent of the Second Lien Facility Lenders under Clause 25.2 (*Appointment of the Second Lien Agent*) and has become a party to the Intercreditor Agreement as a Second Lien Agent in accordance with the Intercreditor Agreement.

"**Second Lien Facility**" means the Second Lien (Recap) Facility and the Second Lien (Acq) Facility in a maximum aggregate principal amount of €250,000,000 granted to the Borrowers pursuant to Clause 2.1(c) (*The Facilities*).

"**Second Lien Facility Advance**" means a Second Lien (Recap) Facility Advance or a Second Lien (Acq) Facility Advance, as the case may be.

"**Second Lien Facility Commitment**" means a Second Lien (Recap) Facility Commitment or a Second Lien (Acq) Facility Commitment, as the case may be.

"**Second Lien Facility Margin**" means 4.75 per cent. per annum.

"**Second Lien Facility Outstandings**" means, at any time, the aggregate principal amount of the Second Lien (Recap) Outstandings and the Second Lien (Acq) Outstandings.

"**Second Lien (Recap) Facility**" means the term loan facility in a maximum principal amount of €170,000,000 granted to the Borrowers pursuant to Clause 2.1(c) (*The Facilities*).

"**Second Lien (Acq) Facility**" means the term loan facility in a maximum principal amount of €80,000,000 granted to the Borrowers pursuant to Clause 2.1(c) (*The Facilities*).

"**Second Lien (Recap) Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the Second Lien (Recap) Facility or arising in respect of the Second Lien (Recap) Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*).

"**Second Lien (Acq) Facility Advance**" means the advance (as from time to time reduced by repayment) made or to be made by the Lenders under the Second Lien (Acq) Facility or arising in respect of the Second Lien (Acq) Facility under Clause 9.3 (*Consolidation of Term Facility Advances*) or under Clause 9.4 (*Division of Term Facility Advances*).

"**Second Lien (Recap) Facility Commitment**" means, in relation to a Lender at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**Second Lien (Acq) Facility Commitment**" means, in relation to a Lender at any time, and save as otherwise provided herein, the amount set opposite its name in the relevant column of Schedule 1 (*Lenders and Commitments*) or as specified in the Transfer Certificate pursuant to which such Lender becomes a party hereto.

"**Second Lien Facility Lender**" means any Lender under the Second Lien Facility.

"**Second Lien Facility Prepayment**" means the prepayment in full of the Existing Second Lien Debt on the Refinancing Date.

"**Second Lien (Recap) Facility Outstandings**" means, at any time, the aggregate principal amount of the Second Lien (Recap) Facility Advance outstanding hereunder.

"**Second Lien (Acq) Facility Outstandings**" means, at any time, the aggregate principal amount of the Second Lien (Acq) Facility Advance outstanding hereunder.

"**Second Lien Rights Event of Default**" means an Event of Default which occurs:

(a) as a result of:

(i) any notification by the Agent of any non-payment by an Obligor on the due date of any amount payable in relation to the Second Lien Facility at the place at and in the currency in which it is expressed to be payable and payment is not made within 60 days of such notification; or

(ii) an Event of Default occurring under Clause 22.7 (*Insolvency*), Clause 22.8 (*Winding-up*) or Clause 22.10 (*Similar Events Elsewhere*) in respect of an Obligor,

and is continuing; or

(b) under Clause 22 (*Events of Default*) and in respect of which the Agent has given a notice under paragraph (a) of Clause 22.18 (*Acceleration*).

"**Security**" means a mortgage, charge, pledge, lien or encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Documents**" means:

(a) each of the security documents listed in Part VI of Schedule 3 (*Conditions Precedent*);

(b) each Additional Security Document;

(c) each New Security Document;

(d) each Fifth Amendment Security Document;

(e) any other document (executed at any time) conferring or evidencing any Encumbrance, guarantee or other assurance against financial loss for, or in respect, of any of the obligations of the Obligors under this Agreement or under any Hedging Agreement with a Hedging Counterparty;

(f) any other document executed at any time pursuant to any covenant in any of the Security Documents referred to in paragraph (a) or (b) in each case (except paragraph (a)) as so designated as such by the Company and the Agent in writing;

(g) any security document entered into by a member of the Group or an Affiliate of any member of the Group and which grants Security in favour of the Finance Parties and is designated a Security Document by the Agent and the Company; and

(h) each of the documents listed in Part VIII of Schedule 3 (*Conditions Precedent*),

in each case to the extent not released by the relevant Finance Parties.

"**Selection Notice**" means a notice in the form set out in Schedule 15 (*Selection Notice applicable to an Advance*).

"**Senior Note Issue Costs**" means any non-recurring fees, amounts equal to any original issue discounts, commissions, costs and expenses, stamp, registration and other taxes incurred by any Senior Subordinated Issuer, any Senior Secured Issuer, the Parent and/or any member of the Group in connection with:

(a) the 2011 Consent Request, the Fifth Amendment agreement, the Senior Subordinated Notes Intercreditor Deed and the Fifth Amendment Security Documents and the amendment and waiver request sent by the Company to the Agent on 25 September 2012 and any Hedging Agreements entered into pursuant to Clause 20.7 (Hedging Arrangements) and/or Clause 21.25 (b) (C (Additional Senior Financing) Facility Advances and Senior Subordinate Notes);

(b) the issuance of Senior Subordinated Notes, Senior Secured Notes and/or Refinancing Debt;

(c) the Additional Revolving Facility;

(d) the drawing of C (Additional Senior Financing) Facility Advances; and

(e) the borrowing of the Subordinated Proceeds Loans.

"**Senior Rights Event of Default**" means an Event of Default which occurs as a result of:

(a) any non-payment by an Obligor on the due date of any amount payable in relation to any Facility other than the Second Lien Facility at the place at and in the currency in which it is expressed to the payable and payment is not made within the period set out in paragraph (b) of Clause 22.1 (*Payment Default*); or

(b) an Event of Default occurring under paragraph (a) or paragraph (c) of Clause 22.7 (*Insolvency*), Clause 22.8 (*Winding-up*) or Clause 22.10 (*Similar Events Elsewhere*) in respect of an Obligor.

"**Senior Secured Issuer**" means any person which has not previously traded and which is neither a member of the Group nor the Senior Subordinated Issuer, which will issue Senior Secured Notes under one or more offerings.

"**Senior Secured Notes**" means senior secured notes issued by any Senior Secured Issuer to fund one or more C (Additional Senior Financing) Facility Advances (or to acquire interests or participate in one or more C (Additional Senior Financing) Facility Advances) after deduction of any related Senior Note Issue Costs and complying with the Refinancing Debt Major Terms.

"**Senior Secured Notes Documents**" means, in respect of any Senior Secured Notes, the corresponding Covenant Agreement, the Senior Secured Notes Indenture, the Senior Secured Notes and any other document entered into by the Parent or any member of the Group evidencing liabilities to the Senior Secured Notes Trustee or any of the holders of such Senior Secured Notes in respect of such Senior Secured Notes.

"**Senior Secured Notes Indenture**" means any indenture governing any relevant Senior Secured Notes.

"**Senior Secured Notes Trustee**" means, in respect of any C (Additional Senior Financing) Facility Advance, the trustee for the holders of the corresponding Senior Secured Notes.

"**Senior Subordinated Issuer**" means a special purpose entity which is (subject to paragraph (b)(i) of Clause 21.20 (*Holding Companies*)) directly and wholly owned (save for directors shares and shares held by other persons, as required to comply with rules relating to minimum numbers of shareholders) by the Parent and either having limited liability or in respect of which no member of the Group or the Parent holds any unlimited liability interest. For the avoidance of doubt, there may be more than one Senior Subordinated Issuer.

"**Senior Subordinated Issuer GP**" has the meaning given to it in paragraph (b)(i) of Clause 21.20 (*Holding Companies*).

"**Senior Subordinated Noteholder**" has the meaning given to it in any Senior Subordinated Notes Intercreditor Deed.

"**Senior Subordinated Notes**" means any debt securities issued by a Senior Subordinated Issuer provided that:

(a) such securities comply with the Senior Subordinated Notes Major Terms;

(b) the entire proceeds of such securities are applied towards financing any related Senior Note Issue Costs and one or more Subordinated Parent Loan(s) and the principal amount of such securities is equal to the principal amount of the relevant Subordinated Parent Loan(s);

(c) the entire proceeds of each Subordinated Parent Loan are applied towards financing any related Senior Note Issue Costs and one or more Subordinated Company Loan(s) and the principal amount of such Subordinated Parent Loan is equal to the principal amount of the relevant Subordinated Company Loan(s); and

(d) the Agent has received the documents and other evidence set out in Schedule 20 (*Conditions to issuance of Senior Subordinated Notes*).

For the avoidance of doubt, there may be more than one issue of Senior Subordinated Notes.

"**Senior Subordinated Notes Documents**" means, in respect of any Senior Subordinated Notes, the Senior Subordinated Notes Indenture, the Senior Subordinated Notes, any Subordinated Guarantees, any other documents entered into by the Parent, the relevant Senior Subordinated Issuer or any member of the Group evidencing liabilities to the Senior Subordinated Notes Trustee or any Senior Subordinated Noteholder in respect of such Senior Subordinated Notes and any security documents creating Senior Subordinated Notes Security.

"**Senior Subordinated Notes Hedge Counterparty**" means, in respect of any Senior Subordinated Notes Hedging Agreement, the Ancillary Lender party thereto.

"**Senior Subordinated Notes Hedging Agreement**" means an Acceptable Hedging Agreement entered into by the Company (or another member of the Group, provided that such other member of the Group is a borrower of a Subsidiary Proceeds Loan) with an Ancillary Lender pursuant to an Ancillary Facility provided under an Additional Revolving Facility Tranche in connection with one or

more Subordinated Company Loans and/or Subsidiary Proceeds Loans in accordance with paragraph (c) of Clause 20.7 (Hedging Arrangements).

"**Senior Subordinated Notes Hedging Exposure**" means, from time to time in respect of any Senior Subordinated Notes Hedge Counterparty and any Senior Subordinated Notes Hedging Agreement to which it is a party, (i) (if that Senior Subordinated Notes Hedging Agreement has not been terminated) the marked-to-market value of the exposure of that Senior Subordinated Notes Hedge Counterparty under that Senior Subordinated Notes Hedging Agreement, provided that if such marked-to-market value is negative as regards that Senior Subordinated Notes Hedge Counterparty it shall be disregarded, or (ii) (if that Senior Subordinated Notes Hedging Agreement has been terminated) the Settlement Amount or Close-out Amount (as appropriate) and Unpaid Amounts, if any, payable to that Senior Subordinated Notes Hedge Counterparty under that Senior Subordinated Notes Hedging Agreement (and for this purpose "**Settlement Amount**", "**Close-Out Amount**" and "**Unpaid Amount**" shall have the meanings given to them in the relevant Senior Subordinated Notes Hedging Agreement).

"**Senior Subordinated Notes Indenture**" means an indenture governing the issuance of any Senior Subordinated Notes.

"**Senior Subordinated Notes Intercreditor Deed**" means any priority agreement to be entered into between, amongst others, the Agent, the Security Agent, any Senior Subordinated Issuer, any relevant Senior Subordinated Notes Trustee, the Parent and the Company relating to the subordination of any relevant Subordinated Proceeds Loans and any relevant Subordinated Guarantees, substantially in the form set out in Schedule 21 (*Form of Senior Subordinated Notes Intercreditor Deed*) or with:

(a) such changes made at the request of the Senior Subordinated Notes Trustee as are permitted under paragraph (f) of clause 21.4 (*Supplemental provisions relating to the Security Agent*) of the Intercreditor Agreement;

(b) any necessary legal updates as a result of changes in applicable law since the date of the Fifth Amendment Agreement; and

(c) such other changes which are in form and substance satisfactory to the Agent (acting reasonably).

"**Senior Subordinated Notes Major Terms**" means the terms set out in Schedule 19 (*Senior Subordinated Notes Major Terms*).

"**Senior Subordinated Notes Security**" means, in respect of any Senior Subordinated Notes, each of the following granted (in each case, if so granted) in favour of the relevant Senior Subordinated Notes Trustee and/or the relevant Senior Subordinated Noteholders in each case (if so granted) ranking junior to the first ranking Security granted or to be granted in favour of the Finance Parties:

(a) Security over the Senior Subordinated Issuer's rights under the Subordinated Parent Loans;

(b) Security over the shares of each of the Senior Subordinated Issuer, the Senior Subordinated Issuer GP and the Company held by the Parent;

(c) Security over the Parent's rights under the Subordinated Company Loans; and

(d) Security over the Company's rights under the Subsidiary Proceeds Loans.

"**Senior Subordinated Notes Trustee**" means the note trustee party to any Senior Subordinated Notes Intercreditor Deed and for the purposes of this Agreement shall, where the context so requires or permits, be deemed to include a reference to any collateral agent appointed in respect of such Senior Subordinated Notes.

"**Shares**" means the common shares of the Company.

"**Shareholder Debt**" means any loan or other debt provided by any shareholder of the Parent to the Parent or by the Parent to the Company provided that it is subordinated to the rights of the creditors under the Finance Documents and the Mezzanine Finance Documents, it has a maturity longer than the C Facility or, if a New Second Lien Facility is implemented, 15 June 2016, does not provide for cash pay interest and contains no events of default other than insolvency of the relevant borrower.

"**Sharing Payment**" has the meaning set out in Clause 30.1 (*Payments to Lenders*).

"**Special Deposits**" has the meaning set out in paragraph 5 of Schedule 5 (*Mandatory Cost Formulae*).

"**Special Private Equity Contribution**" means any Private Equity Contribution or any intercompany loan or equity investment in favour of any member of the Group which is made directly or indirectly with the proceeds of a Private Equity Contribution, in each case exclusively for the purpose of financing any exceptional or extraordinary cash outflow paid in cash, provided that the event giving rise to such exceptional or extraordinary outflow shall not, irrespective of such cash outflow, have a Material Adverse Effect or may not adversely affect the future performance of the business or the future revenues of any member of the Group.

"**Specified Time**" means, in respect of any Additional Revolving Facility Tranche, a time determined in accordance with the timetables set out in the applicable Additional Revolving Facility Commitment Letter, provided that the Company and the relevant Additional Revolving Facility Lender shall consult wih the Agent in establishing the relevant timetables (and the Agent must agree to any timetable by which it is to be bound).

"**Statistics Report**" means a report in the form of Schedule 10 (*Statistics Report*).

"**Subordinated Company Loan**" means each loan from the Parent to the Company, the principal amount of which (together with the principal amount of any other Subordinated Company Loan which is funded by the same Subordinated Parent Loan) is equal to the principal amount of the related Subordinated Parent Loan, provided that:

(a) such loan does not bear cash interest which is in excess of the rate payable in cash under the related Senior Subordinated Notes;

(b) such loan does not have any scheduled amortisation or repayment due before 31 December 2018;

(c) such loan does not have any maintenance financial covenants;

(d) subject to the provisions of the applicable Senior Subordinated Notes Intercreditor Deed, such loan may be required to be mandatorily prepaid to the extent that an equivalent amount has fallen due under the related Senior Subordinated Notes;

(e) such loan is subordinated to the rights and obligations of the Finance Parties under the Finance Documents pursuant to the applicable Senior Subordinated Notes Intercreditor Deed; and

(f) the entire proceeds of such loan are applied towards financing any related Senior Note Issue Costs and one or more Subsidiary Proceeds Loans and/or in prepayment in accordance with Clause 8.3 (*Proceeds of Senior Subordinated Notes and C (Additional Senior Financing) Facility Advances*) or paragraph (a) of Clause 21.25 (*C (Additional Senior Financing) Facility Advances and Senior Subordinated Notes*).

"**Subordinated Guarantees**" means the guarantees (in each case, to the extent permitted by applicable law) granted by each Obligor in respect of the obligations of the Senior Subordinated Issuer

under the Senior Subordinated Notes Documents provided that such guarantees are subordinated pursuant to the Senior Subordinated Notes Intercreditor Deed.

"**Subordinated Parent Loan**" means each loan or debt securities (including PECs) from a Senior Subordinated Issuer to the Parent, the principal amount of which (together with the principal amount of any other Subordinated Parent Loan which is funded by the same issue of Senior Subordinated Notes) is equal to the principal amount of the related Senior Subordinated Notes, provided that:

(a) such loan or debt securities does not bear cash interest which is in excess of the rate payable in cash under the related Senior Subordinated Notes;

(b) such loan or debt securities does not have any scheduled amortisation or repayment due before 31 December 2018;

(c) such loan or debt securities does not have any maintenance financial covenants;

(d) subject to the provisions of the applicable Senior Subordinated Notes Intercreditor Deed, such loan or debt securities may be required to be mandatorily prepaid to the extent that an equivalent amount has fallen due under the related Senior Subordinated Notes;

(e) such loan or debt securities is subordinated to the rights and obligations of the Finance Parties under the Finance Documents pursuant to the applicable Senior Subordinated Notes Intercreditor Deed; and

(f) the entire proceeds of such loan or debt securities are applied towards financing any related Senior Note Issue Costs and one or more Subordinated Company Loans.

"**Subordinated Proceeds Loan**" means a Subordinated Parent Loan or Subordinated Company Loan.

"**Subscription and Shareholders Agreement**" means the equity investment agreement dated 6 June 2006 entered into between the Cinven Investors, Altice Two SA, Altice Three SA and Ypso Holding SA.

"**Subsidiary**" of a company, corporation, partnership or other legal entity means any company, corporation, partnership or other legal entity:

(a) more than 50% of the issued share capital or other equity ownership interest of which is legally or beneficially owned, directly or indirectly, by the first-mentioned company, corporation, partnership or other legal entity; or

(b) where the first-mentioned company, corporation, partnership or other legal entity owns the right or ability to control directly or indirectly the affairs or the composition of the board of directors (or equivalent thereof) of such company, corporation, partnership or other legal entity; or

(c) which is a Subsidiary of another Subsidiary of the first-mentioned company, corporation, partnership or other legal entity.

provided that any Senior Subordinated Issuer GP and (without prejudice to the definition of "**Obligor**") any Senior Subordinated Issuer shall be deemed not to be Subsidiaries of the Parent for the purposes of the Finance Documents.

"**Subsidiary Proceeds Loan**" means a loan from the Company to a Subsidiary of the Company which is funded from the proceeds of a Subordinated Company Loan provided that the proceeds of such loan are applied in prepayment in accordance with Clause 8.3 (*Proceeds of Senior Subordinated Notes and C (Additional Senior Financing) Facility Advances*) or paragraph (a) of Clause 21.25 (*C (Additional Senior Financing) Facility Advances and Senior Subordinated Notes*).

"**Syndication Date**" means the day which is 18 weeks after the Initial Closing Date, such later date as may be agreed between the Mandated Lead Arrangers and the Company or such earlier date specified by the Mandated Lead Arrangers (and notified to the Agent and the Company) as the day on which primary syndication of the Facilities is completed.

"**Syndication Letter**" means a letter dated on or about the date of this Agreement from the Mandated Lead Arrangers to the Company.

"**Tariff Base**" has the meaning set out in paragraph 5 of Schedule 5 (*Mandatory Cost Formulae*).

"**Target**" means Noos SA (formerly named UPC France SA).

"**TARGET Day**" means any day on which the Trans-European Automated Real-time Gross Settlement Transfer System is open for the settlement of payments in euros.

"**Tax Credit**" means a credit against, relief or remission for, or repayment of any tax.

"**Tax Deduction**" means a deduction or withholding for or on account of tax from a payment made or to be made under a Finance Document.

"**Tax Group Company**" has the meaning set out in Clause 20.15 (*French Tax Group*).

"**Tax Liability**" has the meaning set out in paragraph (e) of Clause 12.2 (*Tax Indemnity*).

"**Tax Structure Report**" means the tax structure report referred to in paragraph 2(b) of Part I of Schedule 3 (*Conditions Precedent*) and paragraph 2(d) of Part III of Schedule 3 (*Conditions Precedent*).

"**Tax on Overall Net Income**" has the meaning set out in paragraph (e) of Clause 12.2 (*Tax Indemnity*).

"**Tax Payment**" means the increase in any payment made by an Obligor to a Finance Party under Clause 12.1 (*Tax Gross-up*) or any amount payable under Clause 12.1 (*Tax Gross-up*) or Clause 12.2 (*Tax Indemnity*).

"**Technical Report**" means the report referred to in paragraph 2(b) of Part III of Schedule 3 (*Conditions Precedent*).

"**TEG Letters**" means the letters dated the date hereof, on the Effective Date and on the relevant Accession Date from the Agent to the Original Borrowers or Additional Borrowers in France setting forth the Effective Overall Rates.

"**Term**" means each period determined under this Agreement for which the Issuing Bank is under a liability under a Letter of Credit.

"**Term Facilities**" means the A Facility, the B Facility, the C Facility, the Second Lien Facility and the Capital Investment Facility and "**Term Facility**" means any of them as the context may require from time to time.

"**Term Facilities Advance**" means any A (Recap) Facility Advance, A (Acq) Facility Advance, B (Recap) Facility Advance, B (Acq) Facility Advance, C (Recap) Facility Advance, C (Acq) Facility Advance, C (Additional Senior Financing) Facility Advance, Second Lien (Recap) Facility Advance, Second Lien (Acq) Facility Advance or Capital Investment Facility Advance and "**Term Facility Advances**" shall be construed accordingly.

"**Termination Date**" means:

(a) in relation to the A (Recap) Facility, the B (Recap) Facility and the Second Lien (Recap) Facility, the date falling 90 days after the Commitment Date;

(b) in relation to the A (Acq) Facility, the B (Acq) Facility, the Second Lien (Acq) Facility, the date falling 220 days after the Commitment Date;

(c) in relation to the C Facility (other than the C (Additional Senior Financing) Facility), 20 June 2007;

(d) in relation to the C (Additional Senior Financing) Facility, and in respect of each C (Additional Senior Financing) Facility Commitment Letter, the date specified in such letter as being the Termination Date;

(e) in relation to the Capital Investment Facility, the date which is the fourth anniversary of the Initial Closing Date; and

(f) in relation to any Additional Revolving Facility Tranche, and in respect of the related Additional Revolving Facility Commitment Letter, the date specified in such letter as being the Termination Date.

"**Term Facility Outstandings**" means, at any time, the aggregate of the A (Recap) Facility Outstandings, the A (Acq) Facility Outstandings, the B (Recap) Facility Outstandings, the B (Acq) Facility Outstandings, the C (Recap) Facility Outstandings, the C (Acq) Facility Outstandings, the C (Additional Senior Financing) Facility Outstandings, the Second Lien (Recap) Facility Outstandings, the Second Lien (Acq) Facility Outstandings and the Capital Investment Facility Outstandings at such time.

"**Transaction**" means all the operations contemplated by the Transaction Documents.

"**Transaction Documents**" means the Finance Documents, the Mezzanine Finance Documents, the Acquisition Documents, the Investor Documents, the Coditel Debt Notes, the Initial Restructuring Documents, the Subordinated Proceeds Loans and the Intercompany Loan Agreements.

"**Transfer Certificate**" means a duly completed deed of transfer in the form set out in Schedule 2 (*Form of Transfer Certificate*) and signed by a lender and a Transferee (or in relation to primary syndication of the Facilities, a global transfer agreement in a form to be agreed between the Company, the Agent and the Arrangers) whereby such Lender seeks to procure the transfer (whether by way of novation or assignment and assumption) to such Transferee of all or part of such Lender's rights, benefits and obligations hereunder as contemplated in Clause 32 (*Assignments and Transfers*) and under the Intercreditor Agreement.

"**Transfer Date**" means, in relation to any Transfer Certificate, the date for the making of the transfer as specified in such Transfer Certificate.

"**Transferee**" means any person to which a Lender seeks to transfer all or part of its rights, benefits and obligations under this Agreement pursuant to and in accordance with Clause 32 (*Assignments and Transfers*).

"**Unpaid Sum**" means any sum due and payable by an Obligor under any Finance Document but unpaid.

"**Unused Amount**" is 75 per cent. of the amount by which in any given twelve month period Covenant Capital Expenditure exceeds the amount of Fixed Capital Expenditure for such twelve month period.

"**Utilisation**" means the utilisation of a Facility under this Agreement.

"**Utilisation Date**" means, in relation to a Utilisation, the date on which such Utilisation is (or is requested) to be made.

"**Utilisation Request**" means a duly completed notice in the form set out in Schedule 4 (*Form of Utilisation Request*).

"**Vendor**" means UPC Broadband France (registered with number 404 453 615 with the trade and companies registry of Paris) whose registered office is at 20, Place des Vins de France, Paris 75012, France.

"**Vendor Guarantor**" means UPC Broadband Holding B.V. (trade registry number 3413982) whose registered office is at Boeing Avenue 53, 1119 PE, Schiphol Rijk, The Netherlands.

"**Website Lenders**" has the meaning set out in Clause 35.4 (*Use of Websites*).

"**Working Capital**" means as at any Quarter Date, trade and other debtors in respect of operating items plus prepayments and stock as at such Quarter Date less trade and other creditors in respect of operating items and less accrued expenses and accrued costs as at such Quarter Date.

1.2 Accounting Expressions

All accounting expressions which are not otherwise defined herein shall be construed in accordance with the Applicable Accounting Principles.

1.3 Construction

Unless a contrary indication appears, any reference in this Agreement to:

(a) the "**Agent**", any "**Ancillary Lender**", an "**Arranger**", a "**Mandated Lead Arranger**", the "**Security Agent**", the "**Second Lien Agent**", a "**Hedge Counterparty**" or a "**Lender"** shall be construed so as to include its and any subsequent successors, Transferees and permitted assigns in accordance with their respective interests;

(b) references to the "**A (Acq) 2 Facility**" and to any other term or expression relating to the "**A (Acq) 2 Facility**" shall be ignored and treated as though without any effect from the Fifth Amendment Agreement Effective Date;

(c) references to the "**A (Recap) 2 Facility**" and to any other term or expression relating to the "**A (Recap) 2 Facility**" shall be ignored and treated as though without any effect from the Fifth Amendment Agreement Effective Date;

(d) "**agreed form**" means, in relation to any document, in the form agreed by the Mandated Lead Arrangers (or after the date of this Agreement by the Agent) and the Company;

(e) references to the "**B (Recap) 2 Facility**" and to any other term or expression relating to the "B **(Recap) 2 Facility**" shall be ignored and treated as though without any effect from the Fifth Amendment Agreement Effective Date;

(f) a Borrower providing "**cash cover**" for a Letter of Credit or contingent liability under an Ancillary Facility means a Borrower paying an amount in the currency of the Letter of Credit or, as the case may be, contingent liability under the Ancillary Facility to an interest-bearing account in the name of the Borrower and the following conditions being met:

(i) the account is with the relevant Ancillary Lender or Issuing Bank;

(ii) withdrawals from the account may only be made to pay a Finance Party amounts due and payable to it under this Agreement or any Ancillary Facility Document in respect of that Letter of Credit or Ancillary Facility until no amount is or may be outstanding under that Letter of Credit or Ancillary Facility; and

(iii) if the relevant Issuing Bank or Ancillary Lender requires, the Borrower has executed a security document over that account, in form and substance satisfactory to the relevant Issuing Bank or Ancillary Lender, creating a first ranking security interest over that account;

(g) references to "**Coditel Brabant SPRL**" and "**Coditel S.àR.L.**" shall be ignored and treated as though without any effect from the Fifth Amendment Agreement Effective Date;

(h) "**continuing**" in relation to an Event of Default or a Default shall be construed as meaning that (a) the circumstances constituting such Event of Default or Default continue and (b) neither the Agent (being duly authorised to do so) nor the Lenders have waived such of its or their rights under this Agreement as arise as a result of that event (other than pursuant to the express terms of a forbearance or similar agreement);

(i) "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination;

(j) the "**equivalent**" on any given date in one currency (the "**first currency**") of an amount denominated in another currency (the "**second currency**") is a reference to the amount of the first currency which could be purchased with the second currency at the Agent's Spot Rate of Exchange for the purchase of the first currency with the second currency;

(k) references to the "**Second Lien Facility**" and to any other term or expression relating to the "**Second Lien Facility**" (including "**Second Lien Agent**" and "**Second Lien Lenders**") shall be ignored and treated as though without any effect on the Refinancing Date immediately following the Second Lien Facility Prepayment;

(l) "**month**" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next succeeding Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the immediately preceding Business Day provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to "months" shall be construed accordingly);

(m) a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

(n) references to the "**Mezzanine Facility Agreement**" and to any other term or expression relating to the "**Mezzanine Facility**" shall be ignored and treated as though without any effect on the Refinancing Date immediately following the Mezzanine Facilities Prepayment;

a Borrower "**repaying**" or "**prepaying**" a Letter of Credit or any Ancillary Outstandings means:

(i) that Borrower providing cash cover for that Letter of Credit or those Ancillary Outstandings;

(ii) the maximum amount payable under that Letter of Credit or that Ancillary Facility being reduced in accordance with its terms; or

(iii) the applicable Issuing Bank or Ancillary Lender being satisfied that it has no further liability under that Letter of Credit or Ancillary Facility,

(o) and the amount by which a Letter of Credit is, or Ancillary Outstandings are, repaid or prepaid under sub-paragraphs (i) and (ii) above is the amount of the relevant cash cover or reduction;

(p) "**tax**" shall be construed so as to include all present and future taxes, charges, imposts, duties, levies, deductions or withholdings of any kind whatsoever, or any amount payable on account of or as security for any of the foregoing, by whomsoever on whomsoever and wherever imposed, levied, collected, withheld or assessed together with any penalties, additions, fines, surcharges or interest relating to it; and "**taxes**" and "**taxation**" shall be construed accordingly;

(q) "**VAT**" shall be construed as value added tax as provided for in Articles 256 et seq. of the French Tax Code and legislation (or purported legislation and whether delegated or otherwise) supplemental to those provisions or in any primary or secondary legislation promulgated by the European Community or European Union or any official body or agency of the European Community or European Union, and any tax similar or equivalent to value added tax imposed by any country other than France and any similar or turnover tax replacing or introduced in addition to any of the same;

(r) a "**wholly-owned Subsidiary**" of a company, corporation, partnership or other legal entity shall be construed as a reference to any company, corporation, partnership or other legal entity which has no other members except that other company, corporation, partnership or other legal entity and that other company's corporation's, partnership's or other legal entities wholly-owned Subsidiaries or nominees for that other company, corporation, partnership or other legal entity or its wholly-owned Subsidiaries (excluding shares owned by directors or other persons in order to comply with applicable law relating to the minimum numbers of shareholders) provided that neither any Senior Subordinated Issuer GP nor (without prejudice to the definition of "Obligor") any Senior Subordinated Issuer shall be deemed to be a "wholly owned Subsdiary";

(s) the "**winding-up**", "**dissolution**" or "**administration**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the Law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection from creditors or relief of debtors;

(t) the phrase "**total net assets**" means total assets as interpreted in accordance with generally accepted accounting principles in France; and

(v) any reference to the "**proceeds**" (or similar expressions) of any Senior Subordinated Notes, Subordinated Parent Loan, Subordinated Company Loan, Subordinated Proceeds Loan, Subsidiary Proceeds Loan or C (Additional Senior Financing) Facility Advance shall include, for the avoidance of doubt, a reference to any proceeds of such loan or debt securities that are converted into euros from a currency other than euro based on the currency exchange rate in effect pursuant to any applicable foreign exchange transactions.

1.4 Currency

"**€**" , "**EUR**", "**Euro**" and "**euro**" denote the lawful currency of each Participating Member State; and

"**USD**", "**US$**" and "**US dollar**" denote the lawful currency of the United States of America.

1.5 Statutes

Any reference in this Agreement to a statute or a statutory provision shall, save where the contrary intention is specified, be construed as a reference to such statute or statutory provision as the same shall have been, or may be, unless the contrary is indicated, amended or re-enacted.

1.6 Time

Any reference in this Agreement to a time shall, unless otherwise specified, be construed as a reference to Paris time.

1.7 References to Agreements

Unless otherwise stated, any reference in this Agreement to any agreement or document (including any reference to this Agreement) shall be construed as a reference to:

(a) such agreement or document as amended, varied, novated or supplemented from time to time;

(b) any other agreement or document whereby such agreement or document is so amended, varied, supplemented or novated; and

(c) any other agreement or document entered into pursuant to or in accordance with any such agreement or document.

1.8 Morgan Stanley

Notwithstanding anything to the contrary in this Agreement, references to a Commitment of "Morgan Stanley Bank International Limited/Morgan Stanley Senior Funding, Inc." (together, the "**Morgan Stanley Entities**") in relation to any Facility shall be construed as references to the aggregate Commitment of Morgan Stanley Bank International Limited and Morgan Stanley Senior Funding, Inc. in relation to such Facility (as allocated between the Morgan Stanley Entities in such proportions and such amounts as Morgan Stanley Bank International Limited notifies the Agent). Any reference to a Commitment or obligation of Morgan Stanley Senior Funding, Inc. as Lender shall be construed solely as being an obligation to procure that an appropriately authorised and located entity (which may be Morgan Stanley Bank International Limited) perform such obligation and the Obligors shall have no obligation to repay any Morgan Stanley Entity other than the Morgan Stanley Bank International Limited (or such entity) with respect to any Utilisations made or credit extended under any Facility.

1.9 Currency Conversion

For the purpose of calculating the Instructing Group, or any other percentage of Lenders, Outstandings (and participations in Outstandings) under the C (Additional Senior Financing) Facility and Additional Revolving Facility where not denominated in the Base Currency shall be deemed converted into the Base Currency at the Agent's spot rate of exchange for the relevant Optional Currency to the Base Currency applicable at the date on which the relevant Utilisation or Utilisations were made.

2. THE FACILITIES

2.1 The Facilities

The Lenders grant to the Borrowers, upon the terms and subject to the conditions of this Agreement:

(a) a term loan facility in a maximum aggregate amount of €810,000,000 (reduced to €685,000,000 as from the Reallocation Date) (the "**A Facility**") which may be drawn as follows:

(i) by Coditel S.àR.L., NC Numéricâble and Numéricable SAS in a maximum aggregate amount not to exceed €385,400,000 (the "**A (Recap) 1 Facility**");

(ii) by Coditel Brabant in a maximum aggregate amount not to exceed €14,600,000 (the "**A (Recap) 2 Facility**");

(iii) by AFE in a maximum aggregate amount not to exceed €355,500,000 (reduced to €230,500,000 as from the Reallocation Date) (the "**A (Acq) 1 Facility**"); and

(iv) by Coditel Brabant in a maximum aggregate amount not to exceed €54,500,000 (the "**A (Acq) 2 Facility**"),

in each case in accordance with the Tax Structure Report;

(b) a term loan facility in a maximum aggregate amount of €1,440,000,000 (increased to €1,565,000,000 as from the Reallocation Date) (the "**B Facility**") which may be drawn as follows:

(i) by the Company, Coditel S.àR.L., NC Numéricâble, Numéricâble SAS and Est Videocom in a maximum aggregate amount not to exceed €738,500,000 (the "**B (Recap) 1 Facility**");

(ii) by Coditel Brabant in a maximum amount equal to €76,500,000 (the "**B (Recap) 2 Facility**");

(iii) by the Company in a maximum aggregate amount not to exceed €285,000,000 (the "**B (Acq) 1 Facility**"); and

(iv) by AFE in a maximum aggregate amount not to exceed €340,000,000 (increased to €465,000,000 as from the Reallocation Date) (the "**B (Acq) 2 Facility**"),

in each case in accordance with the Tax Structure Report;

(c) a term loan facility in a maximum aggregate amount of €250,000,000 (the "**Second Lien Facility**") which may be drawn as follows:

(i) by the Company in a maximum aggregate amount of €170,000,000 (the "**Second Lien (Recap) Facility**"); and

(ii) by AFE in a maximum aggregate amount of €80,000,000 (the "**Second Lien (Acq) Facility**"),

in each case in accordance with the Tax Structure Report;

(d) a term loan facility in a maximum aggregate amount of €175,000,000 which may be drawn by the Borrowers as follows:

(i) in a maximum aggregate amount of €43,585,361 (the "**Capital Investment Facility 1**"); and

(ii) in a maximum aggregate amount of €82,130,258.59 (the "**Capital Investment Facility 2**");

(e) a term loan facility in a maximum aggregate amount of €800,000,000 which may be drawn as follows:

(i) by the Company in a maximum aggregate amount not to exceed €522,049,928.29 (the "**C (Recap) Facility**"); and

(ii) by AFE in a maximum aggregate amount not to exceed €277,950,071.71 (the "**C (Acq) Facility**");

(f) only when a C (Additional Senior Financing) Facility Commitment Letter has been duly executed and delivered to the Agent, a term loan facility (to be made available in one or more tranches) in such maximum amount per tranche as is specified in the relevant C (Additional Senior Financing) Facility Commitment Letter; and

(g) only when an Additional Revolving Facility Commitment Letter has been duly executed and delivered to the Agent, a multicurrency revolving credit facility (to be made available in one or more Additional Revolving Facility Tranches) in a maximum aggregate amount of (i) €150,000,000 plus (ii) in respect of Ancillary Facilities designated to be utilised by way of entering into Senior Subordinated Notes Hedging Agreements, the aggregate Senior Subordinated Notes Hedging Exposures from time to time, in such maximum amount per Additional Revolving Facility Tranche as is specified in the relevant Additional Revolving Facility Commitment Letter (all or part of which may, from time to time, be designated as Ancillary Facilities).

2.2 Purpose

(a) The A (Recap) Facility, the B (Recap) Facility and the Second Lien (Recap) Facility are intended to finance, in whole or in part:

(i) in the case of Coditel S.àR.L., the repayment in full of its PECs owing to the Parent outstanding on the Initial Closing Date;

(ii) in the case of the Company, the distribution of merger premium to the Parent in a maximum amount of €423,500,000 prior to the Acquisition Closing Date;

(iii) the exercise of the call option by the Company in respect of the minority shareholders in Est Videocom;

(iv) in the case of all the Borrowers, the repayment of Financial Indebtedness outstanding on the Initial Closing Date in a maximum aggregate amount of €1,159,400,000; and

(v) in the case of each Borrower, fees and expenses relating to the Transaction,

in each case, in accordance with the Funds Flow Memorandum and the Tax Structure Report.

(b) The A (Acq) Facility, the B (Acq) 2 Facility and the Second Lien (Acq) Facility are intended to finance, in whole or in part:

(i) in the case of the A (Acq) 2 Facility, an increase in the share capital of ENO Belgium SPRL (and subsequent loan to AFE);

(ii) in the case of the Second Lien (Acq) Facility, the consideration payable in respect of the Acquisition;

(iii) in the case of the Second Lien (Acq) Facility and the B (Acq) Facility, fees and expenses relating to the Acquisition and its financing;

(iv) in the case of the A (Acq) 1 Facility and part of the B (Acq) 2 Facility, the refinancing of the financial indebtedness of the Target and its Subsidiaries existing on the Acquisition Closing Date (together with related break costs, prepayment fees and other costs),

in each case, in accordance with the Funds Flow Memorandum and the Tax Structure Report. The B (Acq) 2 Facility shall be made available in a maximum of two separate loans, with the purpose identified in the relevant Utilisation Request and clearly identified with separate flows in the Funds Flow Memorandum.

(c) The B (Acq) 1 Facility is intended to finance in whole or in part:

(i) an increase in the share capital of AFE in order to finance the Acquisition up to €285,000,000; or

(ii) if the Company notifies the Agent that the Acquisition will not be completed and A (Acq) Facility, B (Acq) 2 Facility and Second Lien (Acq) Facility are cancelled, a distribution of merger premium to the Parent up to €150,000,000 together with associated fees and expenses,

in each case, in accordance with the Funds Flow Memorandum.

(d) The Capital Investment Facility is intended to finance or refinance Capital Expenditure, Restructuring Costs, Permitted Acquisitions or purchase price adjustments under the Acquisition Agreement together with related costs and expenses and working capital requirements.

(e) The Borrowers shall apply all amounts borrowed hereunder in or towards satisfaction of the purposes referred to in paragraphs (a), (b), (c), (d), (f) and (g) and none of the Finance Parties nor any of them shall be obliged to concern themselves with such application.

(f) The C (Recap) Facility is intended to finance, in whole or in part:

(i) the repayment of the Second Lien (Recap) Facility Outstandings up to €170,000,000;

(ii) the repayment of the principal amount outstanding under the Mezzanine (Recap) Facility up to €315,000,000;

(iii) the payment of interest accrued in respect of the PIK margin under the Mezzanine (Recap) Facility; and

(iv) the payment of fees and expenses incurred in connection with paragraphs (i) to (iii) immediately above.

(g) The C (Acq) Facility is intended to finance, in whole or in part:

(i) the repayment of the Second Lien (Acq) Facility Outstandings up to €80,000,000;

(ii) the repayment of the principal amount outstanding under the Mezzanine (Acq) Facility up to €185,000,000;

(iii) the payment of interest accrued in respect of the PIK margin under the Mezzanine (Acq) Facility; and

(iv) the payment of fees and expenses incurred in connection with paragraphs (i) to (iii) immediately above.

(h) Each Advance drawn under the C (Additional Senior Financing) Facility shall finance (including by way of intra-group loan) a voluntary prepayment of Outstandings in a corresponding amount (net of related Senior Note Issue Costs in relation to such Advance or Facility and Break Costs payable by the Borrowers in connection with such prepayment) in accordance with Clause 7.1 (*Voluntary Prepayment*) and Clause 7.2 (*Order of Application*).

(i) Each Borrower shall apply all amounts borrowed or raised by it under the Additional Revolving Facility, any Letter of Credit and any utilisation of any Ancillary Facility towards the general corporate purposes of the Group but excluding the financing or refinancing of any Permitted Acquisition, any payment or distribution permitted under Clause 21.22 (*Restriction on Payments*) or any prepayment or repayment of the other Facilities.

2.3 Several Obligations

The obligations of each Finance Party hereunder are several and the failure by a Finance Party to perform any of its obligations hereunder shall not affect the obligations of any of the Obligors towards any other party hereto nor shall any other party be liable for the failure by such Finance Party to perform its obligations hereunder.

2.4 Several Rights

The rights of each Finance Party are several and any debt arising hereunder at any time from an Obligor to any Finance Party hereto shall be a separate and independent debt. Each Finance Party may, except as otherwise stated in this Agreement, separately enforce its rights under this Agreement.

2.5 Reallocation of the A (Acq) 1 Facility

As from the Reallocation Date, €125,000,000 of the A (Acq) 1 Facility borrowed by AFE shall be treated in all respects as if it was an amount outstanding under the B (Acq) 2 Facility and the amount of the A (Acq) 1 Facility shall be deemed to be reduced accordingly from such date.

2.6 Structure Flex

(a) In this Clause, a "**New Second Lien Facility**" means a term loan facility in a minimum aggregate amount of €30,000,000 which will have the following characteristics:

(i) it will be a second lien facility incorporated in, and subject to the terms of, this Agreement and the Intercreditor Agreement substantially on the terms of the Second Lien Facility save as set out in this Clause 2.6;

(ii) it will replace or refinance all or part of the C Facility;

(iii) no prepayment fees will be payable in case of prepayment of such second lien facility (other than break costs and accrued interest (for the avoidance of doubt));

(iv) its final maturity date will be 15 June 2016;

(v) the margin applicable to it will be 4.75 per cent. per annum; and

(vi) a right of first refusal to acquire participations in all or part of it will be granted to the Equity Sponsors, provided that, to the extent that an Equity Sponsor acquires participations in all or part of a New Second Lien Facility, the Commitments and/or Outstandings of such Equity Sponsor under that New Second Lien Facility shall not be taken into account (A) in determining whether the majority of Second Lien Facility Lenders has been obtained for the purpose of Clauses 22.18(c) (*Acceleration*) and 22.19(b) (*Repayment on Demand*), (B) in respect of taking any Enforcement Action or issuing an Enforcement Request (as each such term is defined in the Intercreditor Agreement) or (C) in respect of giving instructions to the Security Agent under the Intercreditor Agreement in relation to Enforcement Actions.

(b) A New Second Lien Facility shall be implemented if:

(i) the ratio of Consolidated Total Net Borrowings as of 31 March 2007 to the Consolidated EBITDA of the Group for the first quarter of 2007 multiplied by four, when annualised, exceeds 6.0:1.0; and

(ii) the C Facility Mandated Lead Arranger has decided at its sole discretion (acting reasonably) to replace or refinance all or part of the C Facility by a New Second Lien Facility in an equivalent aggregate principal amount to ensure that the ratio of the Consolidated Total Net Borrowings (excluding, pro forma, proposed outstandings in respect of the New Second Lien Facility) to the Consolidated EBITDA of the Group for the first quarter of 2007 multiplied by four is equal to or less than 6.0:1.0 (the ratio will be based on the management accounts of the Company in respect of the first quarter of 2007 and delivered to the Agent in accordance with Clause 18.1(e) (*Financial Statements*).

(c) The Agent is authorised to execute on behalf of the Lenders all amendments to the Finance Documents necessary to implement a New Second Lien Facility on the terms set out above.

(d) The Company shall, and shall procure that each other Obligor will, execute all amendments to the Finance Documents necessary to implement a New Second Lien Facility.

2.7 C (Additional Senior Financing) Facility

(a) The Company may at any time or times after the Fifth Amendment Agreement Effective Date confirm that any person or persons (other than a member of the Group or the Senior Subordinated Issuer) who is a debtor in respect of, or who is financed or refinanced by a person (other than a member of the Group or the Senior Subordinated Issuer) who is a debtor in respect of, a Refinancing Debt has agreed to commit C (Additional Senior Financing) Facility Commitments by delivering C (Additional Senior Financing) Facility Commitment Letters to the Agent.

(b) Each C (Additional Senior Financing) Facility Commitment Letter is irrevocable (except in circumstances where the related Refinancing Debt is not provided to the relevant C (Additional Senior Financing) Facility Lender) and will not be regarded as having been duly completed unless:

(i) it has been duly executed by the Company and the relevant proposed Lender(s) thereof and is in the form (or substantially in the form) set out in Schedule 16 (*C (Additional Senior Financing) Facility Commitment Letter*);

(ii) it specifies the following information:

- the Borrower (which shall be the Company);
- the number of the tranche (commencing with "1") which is being committed;
- the principal amount;
- the scheduled instalments and the Final Maturity Date (none of which shall be prior to 30 June 2018);
- the C (Additional Senior Financing) Facility Commitment Date and the Availability Period;
- the interest rate (and applicable ratchet);
- the currency of the tranche committed (which shall be the euro or US dollars); and
- no C (Additional Senior Financing) Facility Lender may benefit from any covenants, representations and warranties, events of default or financial covenants under this Agreement in addition to those which benefit the other Facilities under this Agreement;

(iii) unless such documents have been delivered to the Agent by the relevant C (Additional Senior Financing) Facility Lender in relation to any other C (Additional Senior Financing) Facility Advance, it is accompanied by a copy of the Covenant Agreement (if any) and a copy of a C (Additional Senior Financing) Facility Voting Undertaking, executed by the relevant C (Additional Senior Financing) Facility Lender; and

(iv) it is accompanied by a draft of the applicable Senior Secured Notes Indenture (if the Refinancing Debt is in the form of Senior Secured Notes) or, in the case of other forms of Refinancing Debt, a draft of the equivalent document.

(c) By countersigning the relevant C (Additional Senior Financing) Facility Commitment Letter each such Lender or other person agrees to commit the C (Additional Senior Financing) Facility Commitments set out against its name and, as from the applicable C (Additional Senior Financing) Facility Commitment Date, in the case of an entity which is not already a Lender, to become a Lender and to assume (and be bound by) the same obligations to each Obligor and each other Finance Party and/or acquire the same rights against each Obligor and each other Finance Party as it would have assumed or acquired had such entity been an original party to the Finance Documents as a Lender with the rights and obligations acquired and assumed by it as a result of such accession. For the avoidance of doubt, each C (Additional Senior Financing) Facility Advance will rank *pari passu* with the existing Term Facilities (other than the Second Lien Facility) in accordance with clause 2.1 (*Priorities and Subordination)* of the Intercreditor Agreement.

(d) By the Company (as Obligors' Agent) signing the relevant C (Additional Senior Financing) Facility Commitment Letter, each Obligor shall, as from the applicable C (Additional Senior Financing) Facility Commitment Date, assume the same obligations and/or acquire the same rights against the C (Additional Senior Financing) Facility Lender(s) as though the Lenders had been an original party to the Finance Documents as Lenders.

(e) Each person which is not already a Lender shall no later than the fifth Business Day prior to the relevant C (Additional Senior Financing) Facility Utilisation Date deliver to the Agent all documentation necessary in order for the Agent to complete its "know your customer" or other checks that it is required to carry out and shall supply to the Agent such other documentation in relation thereto as the Agent may reasonably request.

(f) Each person which is not already a Lender shall deliver to the Security Agent no later than the fifth Business Day prior to the relevant C (Additional Senior Financing) Facility Utilisation Date a Deed of Accession pursuant to which it shall accede to the Intercreditor Agreement as a Senior Lender.

(g) No C (Additional Senior Financing) Facility Commitment Letter may be delivered later than the fifth Business Day prior to the Utilisation Date of any C (Additional Senior Financing) Facility Advance which is committed by that letter.

(h) Upon receipt of a duly completed C (Additional Senior Financing) Facility Commitment Letter, the Agent shall inform the Lenders of such receipt and shall provide a copy to the Lenders (other than of Schedule 1 (*Lenders and Commitments*)) of such letter.

(i) The Company shall procure that the principal amount, pricing and repayment terms for each C (Additional Senior Financing) Facility Advance match those terms under the Refinancing Debt which funded that Advance. Where necessary or desirable for tax or legal purposes the interest rate applicable to a C (Additional Senior Financing) Facility Advance may also carry an incremental *de minimis* margin.

(j) The Refinancing Creditors will not be a party to the Finance Documents and will not benefit from direct claims against members of the Group except that the Parent, the Company, other members

of the Group may enter into a Covenant Agreement with each C (Additional Senior Financing) Facility Lender and/or Refinancing Directing Representative and into purchase agreements (and deliver customary conditions precedent thereunder) on customary terms, in each case in respect of the Refinancing Debt Documents used to fund, acquire, participate in and/or refinance that C (Additional Senior Financing) Facility Lender. No member of the Group shall (and the Parent shall procure that no member of the Group will) be party to any Covenant Agreement under which failure to comply with any financial maintenance covenants which are more onerous on the Group than the financial maintenance covenants under this Agreement will constitute an event of default thereunder.

(k) Each C (Additional Senior Financing) Facility Lender agrees that it will not transfer or assign any of its Commitment under the C (Additional Senior Financing) Facility (except that it may transfer the whole (but not part) of its Commitment under the C (Additional Senior Financing) Facility to the debtor of the corresponding Refinancing Debt) without the consent of the Agent, provided that:

(i) the C (Additional Senior Financing) Facility Lender may grant security over, or assign by way of security for (or absolutely, but subject to a provision for redemption upon satisfaction of) its obligations under the corresponding Refinancing Debt, its rights under the Finance Documents and/or under the Covenant Agreement in favour of the corresponding Refinancing Directing Representative (for its own benefit and on behalf of the holders of that Refinancing Debt);

(ii) upon an enforcement of the security or assignment referred to in paragraph (i) above, such Refinancing Directing Representative shall be entitled to exercise all rights and remedies of the C (Additional Senior Financing) Facility Lender under the Finance Documents and the Covenant Agreement; and

(iii) such Refinancing Directing Representative will take the benefit of the security or assignment referred to in sub-paragraph (i) above subject to the terms of the corresponding C (Additional Senior Financing) Facility Voting Undertaking.

The provisions of Clause 32.12 (*Security Interests over Lenders' rights*) shall not apply to the C (Additional Senior Financing) Facility Lender.

(l) If a C (Additional Senior Financing) Facility Lender assigns or transfers any of its Commitment under C (Additional Senior Financing) Facility in accordance with the terms of this Agreement, it shall (unless such assignment is pursuant to sub-paragraph (k)(i) above) procure that prior to such assignment or transfer taking effect, the relevant transferee will execute a C (Additional Senior Financing) Facility Voting Undertaking in respect of that part of the C (Additional Senior Financing) Facility and (if it is not already a party to the Intercreditor Agreement as a Senior Lender) a Deed of Accession to (and as defined in) the Intercreditor Agreement.

(m) If a new C (Additional Senior Financing) Facility Advance is established pursuant to this Clause 2.7:

(i) subject in each case to the Agreed Security Principles, and to the extent necessary (or advisable and consistent with customary market practice) to preserve the interests of the Lenders under the other Facilities, the Agent (acting reasonably) shall be entitled to request that each relevant member of the Group which has granted Security pursuant to the existing Security Documents, at its own expense, executes and delivers to the Security Agent additional Security Documents (and/or confirmations or amendments) in relation to the assets the subject of such existing Security Documents to secure amounts in respect of that C (Additional Senior Financing) Facility Advance and/or to preserve the existing security position of the Lenders under the Security Documents; and

(ii) if an additional Security Document has been executed (or is to be executed) in connection with that C (Additional Senior Financing) Facility Advance which does not secure amounts in respect of the other Facilities, subject in each case to the Agreed Security Principles, the relevant member of the Group which has granted Security pursuant to such additional Security Document, at its own expense, executes and delivers to the Security Agent an additional Security Document in relation to the assets the subject of such additional Security Document to secure amounts in respect of the other Facilities.

Each additional Security Document entered into pursuant to this paragraph (m) shall be substantially in the form of the relevant existing Security Document (or such other form as may be agreed between the Security Agent and the relevant member of the Group, each acting reasonably). Without prejudice to the ranking and order of application of proceeds under clauses 2.1 (*Priorities and Subordination*), 2.2 (*Priorities not affected*) and 12 (*Application of proceeds*) of the Intercreditor Agreement, to the extent that any Security needs to be created on an asset subject to First Ranking Security (as defined in the Intercreditor Agreement), such security will be created in favour of the C (Additional Senior Financing) Facility Lender by way of Second Ranking Security (as defined in the Intercreditor Agreement).

2.8 Additional Revolving Facility

(a) The Company may at any time after the Fifth Amendment Agreement Effective Date and subject to the conditions set out in the paragraphs below confirm that one or more Lenders (other than a member of the Group, the Senior Subordinated Issuer or an Equity Sponsor Affiliate) or any other person or persons (other than a member of the Group, the Senior Subordinated Issuer or an Equity Sponsor Affiliate) has agreed to commit Additional Revolving Facility Commitments by delivering Additional Revolving Facility Commitment Letters to the Agent.

(b) Each Additional Revolving Facility Commitment Letter is irrevocable and will not be regarded as having been duly completed unless:

(i) it specifies the following information:

(A) the Borrower (which shall be an existing Borrower);

(B) the number of the tranche (commencing with "1") which is being committed;

(C) the principal amount;

(D) the Final Maturity Date (which shall not be prior to 31 March 2016 except in the case of any Ancillary Facility designated to be utilised by way of entering into a Senior Subordinated Notes Hedging Agreement);

(E) the Additional Revolving Facility Commitment Date and the Availability Period (which shall be such that it allows Additional Revolving Facility Utilisations to be renewed until the Final Maturity Date, subject to customary conditions);

(F) the margin (including any applicable ratchet, as the case may be) provided that it shall not be higher than 4.50 per cent. per annum (other than by reason of the operation of Clause 23.2 (*Default Rate*) or any equivalent provision of the relevant Additional Revolving Facility Commitment Letter);

(G) the commitment fees, provided that they shall not exceed 50% of the margin applicable to the relevant tranche;

(H) the currencies in which the tranche is available for drawing;

(I) whether or not (and in what circumstances) any clean down provisions apply;

(J) whether or not the tranche is available to be utilised by way of Letter of Credit or any form of Ancillary Facility; and

(K) any additional conditions precedent to utilisation of the Additional Revolving Facility Tranche.

(c) By countersigning the relevant Additional Revolving Facility Commitment Letter each such Additional Revolving Facility Lender agrees to commit the Additional Revolving Facility Commitments in respect of that Additional Revolving Facility Tranche set out against its name and, as from the applicable Additional Revolving Facility Commitment Date, in the case of an entity which is not already a Lender, to become a Lender and to assume (and be bound by) the same obligations to each Obligor and each other Finance Party and/or acquire the same rights against each Obligor and each other Finance Party as it would have assumed or acquired had such entity been an original party to the Finance Documents as a Lender with the rights and obligations acquired and assumed by it as a result of such accession. For the avoidance of doubt, each tranche of the Additional Revolving Facility will rank pari passu with the existing Term Facilities (other than the Second Lien Facility) in accordance with clause 2.1 (*Priorities and Subordination)* of the Intercreditor Agreement.

(d) By the Company (as Obligors' Agent) signing the relevant Additional Revolving Facility Commitment Letter, each Obligor shall, as from the applicable Additional Revolving Facility Commitment Date, assume the same obligations and/or acquire the same rights against the Additional Revolving Facility Lender(s) as though the Lenders had been an original party to the Finance Documents as Lenders.

(e) Each person which is not already a Lender shall no later than the fifth Business Day prior to the relevant Additional Revolving Facility Commitment Date deliver to the Agent all documentation necessary in order for the Agent to complete its "know your customer" or other checks that it is required to carry out and shall supply to the Agent such other documentation in relation thereto as the Agent may reasonably request.

(f) Each person which is not already a Lender shall deliver to the Security Agent no later than the fifth Business Day prior to the relevant Additional Revolving Facility Commitment Date a Deed of Accession pursuant to which it shall accede to the Intercreditor Agreement as a Senior Lender.

(g) No Additional Revolving Facility Commitment Letter may be delivered later than the fifth Business Day prior to the Utilisation Date of any Utilisation under the tranche of the Additional Revolving Facility which is committed by that letter.

(h) Upon receipt of a duly completed Additional Revolving Facility Commitment Letter, the Agent shall inform the Lenders of such receipt and shall provide a copy to the Lenders (other than of Schedule 1 (*Lenders and Commitments*)) of such letter.

(i) No member of the Group, the Senior Subordinated Issuer or any Equity Sponsor Affiliate may provide any Additional Revolving Facility Commitments.

(j) The obligations of the Additional Revolving Facility Lenders in respect of an Additional Revolving Facility Commitment Letter shall be conditional upon the satisfaction of the following conditions precedent:

(i) subject in each case to the Agreed Security Principles, and to the extent necessary (or advisable and consistent with customary market practice) to preserve the interests of the Lenders under the other Facilities, each of the relevant Obligors which has granted Security pursuant to the existing Security Documents having executed and delivered to the Security Agent such additional Security Documents (and/or confirmations or amendments) as are requested by the Agent (acing reasonably) in relation to the assets the subject of such existing

Security Documents to secure amounts in respect of the relevant Additional Revolving Facility Tranche and/or to preserve the existing security position of the Lenders under the Security Documents;

(ii) if an additional Security Document has been executed (or is to be executed) in connection with the relevant Additional Revolving Facility Tranche which does not secure amounts in respect of the other Facilities, each relevant member of the Group (subject to the Agreed Security Principles) having executed and delivered to the Security Agent an additional Security Document in relation to the assets the subject of such additional Security Document to secure amounts in respect of the other Facilities; and

(iii) the provision of legal opinions from (1) relevant offices of Linklaters to the Agent in respect of the security documents or confirmations referred to in (i) and (ii) above, covering (to the extent relevant) the same matters as the matters covered by the opinions issued by that firm in connection with the Fourth Amendment Agreement and (2) counsel to the Obligors covering capacity and authorisation in customary form.

Each additional Security Document entered into pursuant to this paragraph (j) shall be substantially in the form of the relevant existing Security Document (or such other form as may be agreed between the Security Agent and the relevant member of the Group, each acting reasonably). Without prejudice to the ranking and order of application of proceeds under clauses 2.1 (*Priorities and Subordination*), 2.2 (*Priorities not affected*) and 12 (*Application of Proceeds*) of the Intercreditor Agreement, to the extent that any Security needs to be created on an asset subject to First Ranking Security (as defined in the Intercreditor Agreement), such security will be created in favour of the relevant Additional Revolving Facility Lenders by way of Second Ranking Security (as defined in the Intercreditor Agreement). For the avoidance of doubt, in no event may any Additional Revolving Facility Lender benefit from any Security which does not benefit the Lenders under the other Facilities.

2.9 Utilisation—Letters of Credit

General

(a) Any reference in this Agreement to:

(i) the Interest Period of a Letter of Credit will be construed as a reference to the Term of that Letter of Credit;

(ii) an amount borrowed includes any amount utilised by way of Letter of Credit;

(iii) a Utilisation made or to be made to a Borrower includes a Letter of Credit issued on its behalf;

(iv) a Lender funding its participation in a Utilisation includes a Lender participating in a Letter of Credit;

(v) amounts outstanding under this Agreement includes amounts outstanding under or in respect of any Letter of Credit; and

(vi) an outstanding amount of a Letter of Credit at any time is to the maximum amount that is or may be payable by the Borrower in respect of that Letter of Credit at that time.

(b) In determining the amount of the Available Additional Revolving Facility Commitments in respect of an Additional Revolving Facility Tranche and a Lender's L/C Proportion of a proposed Letter of Credit for the purposes of this Agreement, the Available Additional Revolving Facility Commitment of a Lender will be calculated ignoring any cash cover provided for outstanding Letters of Credit.

Delivery of a Utilisation Request

(c) An Additional Revolving Facility Tranche may be utilised by way of Letters of Credit if so specified in the applicable Additional Revolving Facility Commitment Letter. Clause 4 (*Utilisation*) does not apply to utilisations by way of Letters of Credit.

(d) A Borrower (or the Company on its behalf) may request a Letter of Credit to be issued by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

Completion of a Utilisation Request

(e) Each Utilisation Request for a Letter of Credit is irrevocable and will not be regarded as having been duly completed unless:

(i) it specifies that it is for a Letter of Credit;

(ii) it identifies the Borrower of the Letter of Credit;

(iii) it identifies the Additional Revolving Facility Tranche to be utilised and the Issuing Bank which has agreed to issue the Letter of Credit;

(iv) the proposed Utilisation Date is a Business Day within the Availability Period applicable to the relevant Additional Revolving Facility Tranche;

(v) the currency and amount of the Letter of Credit comply with Clauses 2.9(f) and (g);

(vi) the form of Letter of Credit is attached;

(vii) the Expiry Date of the Letter of Credit falls on or before the date specified in the applicable Additional Revolving Facility Commitment Letter as the latest permitted Expiry Date; and

(viii) the delivery instructions for the Letter of Credit are specified.

Currency and Amount

(f) The currency specified in a Utilisation Request for a Letter of Credit must be the Base Currency or an Optional Currency.

(g) The amount of the proposed Letter of Credit must be an amount (i) whose Base Currency Amount is not more than the Available Facility under the relevant Additional Revolving Facility Tranche and (ii) which is not less than the minimum amount specified in the applicable Additional Revolving Facility Commitment Letter.

Issue of Letters of Credit

(h) If the conditions set out in this Agreement have been met, the relevant Issuing Bank shall issue the Letter of Credit on the Utilisation Date.

(i) Subject to Clause 4.1 (*Conditions to Utilisation*), the Issuing Bank will only be obliged to comply with paragraph (h) above if, on the date of the Utilisation Request or Renewal Request and on the proposed Utilisation Date:

(i) in the case of a Letter of Credit to be renewed in accordance with Clauses 2.9 (l), (m), (n) and (o) no notice has been delivered by the Agent in accordance with Clause 22.18 (*Acceleration*) and no event or circumstances set out in Clauses 22.7 (*Insolvency*), 22.8 (Winding-up) or 22.10 (*Similar Events Elsewhere*) has occurred and is continuing in relation to the Borrower to which such Letter of Credit relates; and

(ii) in the case of any other Letter of Credit:

(A) no Default is continuing or would result from the proposed Utilisation; and

(B) the representations referenced in paragraph (b) of Clause 17.27 (*Repetition*) to be made by each Obligor are true.

(j) The amount of each Lender's participation in each Letter of Credit will be equal to its L/C Proportion.

(k) The Agent shall determine the Base Currency Amount of each Letter of Credit which is to be issued in an Optional Currency and shall notify the Issuing Bank and each Additional Revolving Facility Lender under the applicable Additional Revolving Facility Tranche of the details of the requested Letter of Credit and its participation in that Letter of Credit by the Specified Time.

Renewal of a Letter of Credit

(l) A Borrower (or the Company on its behalf) may request that any Letter of Credit issued on behalf of that Borrower be renewed by delivery to the Agent of a Renewal Request in substantially similar form to a Utilisation Request for a Letter of Credit by the Specified Time.

(m) The Finance Parties shall treat any Renewal Request in the same way as a Utilisation Request for a Letter of Credit except that the condition set out in Clause 2.9(e)(vi) shall not apply.

(n) The terms of each renewed Letter of Credit shall be the same as those of the relevant Letter of Credit immediately prior to its renewal, except that:

(i) its amount may be less than the amount of the Letter of Credit immediately prior to its renewal; and

(ii) its Term shall start on the date which was the Expiry Date of the Letter of Credit immediately prior to its renewal, and shall end on the proposed Expiry Date specified in the Renewal Request.

(o) If the conditions set out in this Agreement have been met, the Issuing Bank shall amend and re-issue any Letter of Credit pursuant to a Renewal Request.

Revaluation of Letters of Credit

(p) If any Letter of Credit is denominated in an Optional Currency, the Agent shall, at six monthly intervals after the date of such Letter of Credit, recalculate the Base Currency Amount of such Letter of Credit by notionally converting into the Base Currency the outstanding amount of such Letter of Credit on the basis of the Agent's Spot Rate of Exchange on the date of calculation.

(q) The Company shall, if requested by the Agent within 10 days of any calculation under paragraph (p) above, ensure that within five Business Days of the Agent's request sufficient Additional Revolving Facility Utilisations are prepaid to prevent the Base Currency Amount of the Additional Revolving Facility Utilisations under the applicable Additional Revolving Facility Tranche exceeding the aggregate of the Additional Revolving Facility Commitments under the applicable Additional Revolving Facility Tranche following any adjustment to a Base Currency Amount under paragraph (p) above.

2.10 Letters of Credit

Immediately payable

(a) If a Letter of Credit or any amount outstanding under a Letter of Credit is expressed to be immediately payable, the Borrower that requested (or on behalf of which the Company requested) the issue of that Letter of Credit shall repay or prepay that amount within four Business Days.

Claims under a Letter of Credit

(b) Each Borrower irrevocably and unconditionally authorises the relevant Issuing Bank to pay any claim made or purported to be made under a Letter of Credit requested by it (or requested by the Company on its behalf) and which appears on its face to be in order (in this Clause 2.10, a "**claim**").

(c) Each Borrower which requested a Letter of Credit (or on behalf of which the Company requested a Letter of Credit) shall within four Business Days of demand pay to the Agent for the relevant Issuing Bank an amount equal to the amount of any claim under that Letter of Credit.

(d) Each Borrower acknowledges that no Issuing Bank:

(i) is obliged to carry out any investigation or seek any confirmation from any other person before paying a claim; and

(ii) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.

(e) The obligations of a Borrower under this Clause 2.10 will not be affected by:

(i) the sufficiency, accuracy or genuineness of any claim or any other document; or

(ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document.

Indemnities

(f) Each Borrower shall on demand indemnify (with amounts due under such indemnity being payable within four Business Days of demand) each Issuing Bank against any cost, loss or liability incurred by that Issuing Bank (otherwise than by reason of the relevant Issuing Bank's gross negligence or wilful misconduct) in acting as an Issuing Bank under any Letter of Credit requested by (or on behalf of) that Borrower.

(g) The Borrower which requested (or on behalf of which the Company requested) a Letter of Credit shall on demand reimburse (with amounts due under such reimbursement obligation being payable within four Business Days of demand) any Additional Revolving Facility Lender under the applicable Additional Revolving Facility Tranche for any payment it makes to the Issuing Bank under Clauses 2.10 (h) and/or (i) in respect of that Letter of Credit.

(h) Each Additional Revolving Facility Lender under the applicable Additional Revolving Facility Tranche shall (according to its L/C Proportion) immediately on demand indemnify an Issuing Bank under that Additional Revolving Facility Tranche against any cost, loss or liability incurred by that Issuing Bank (otherwise than by reason of that Issuing Bank's gross negligence or wilful misconduct) in acting as the Issuing Bank under any Letter of Credit under that Additional Revolving Facility Tranche (unless the Issuing Bank has been reimbursed by an Obligor pursuant to a Finance Document).

(i) If any Additional Revolving Facility Lender is not permitted (by its constitutional documents or any applicable law) to comply with paragraph (h) above, then that Additional Revolving Facility

Lender will not be obliged to comply with paragraph (h) and shall instead be deemed to have taken, on the date the Letter of Credit is issued (or, if later, on the date that Additional Revolving Facility Lender's participation in the Letter of Credit is transferred or assigned to that Additional Revolving Facility Lender in accordance with the terms of this Agreement), an undivided interest and participation in the Letter of Credit in an amount equal to its L/C Proportion of that Letter of Credit. On receipt of demand from the Agent, that Additional Revolving Facility Lender shall pay to the Agent (for the account of the Issuing Bank) an amount equal to its L/C Proportion of the amount demanded.

(j) The obligations of each Additional Revolving Facility Lender under paragraphs (h) to (k) of this Clause 2.10 are continuing obligations and will extend to the ultimate balance of sums payable by that Additional Revolving Facility Lender in respect of any Letter of Credit under the applicable Additional Revolving Facility Tranche, regardless of any intermediate payment or discharge in whole or in part.

(k) The obligations of any Additional Revolving Facility Lender under paragraphs (h) to (k) of Clause 2.10 will not be affected by any act, omission, matter or thing which, but for paragraphs (h) to (k) of this Clause 2.10 would reduce, release or prejudice any of its obligations under paragraphs (h) to (k) of this Clauses 2.10 (without limitation and whether or not known to it or any other person), including:

(i) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Letter of Credit or any other person;

(ii) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor or any member of the Group;

(iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor, any beneficiary under a Letter of Credit or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Letter of Credit or any other person;

(v) any amendment (however fundamental) or replacement of a Finance Document, any Letter of Credit or any other document or security;

(vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Letter of Credit or any other document or security; or

(vii) any insolvency or similar proceedings.

(l) Nothing in this Agreement constitutes any Issuing Bank as a trustee or fiduciary of any other person.

Role of the Issuing Bank

(m) No Issuing Bank shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

(n) An Issuing Bank may accept deposits from, lend money to and generally engage in any kind of banking or other business with the Parent, the Senior Subordinated Issuer, the Senior Subordinated Issuer GP, any member of the Group or any other person.

(o) An Issuing Bank may rely on:

(i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(p) Each Issuing Bank may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(q) Each Issuing Bank may act in relation to the Finance Documents through its personnel and agents.

(r) No Issuing Bank is responsible for:

(i) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Issuing Bank, the Agent, the Security Agent, the Mandated Lead Arrangers, an Obligor or any other person given in or in connection with any Finance Document or any of the Information Package; or

(ii) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

Exclusion of Liability

(s) Without limiting paragraph (t) below, no Issuing Bank will be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(t) No Party (other than the relevant Issuing Bank) may take any proceedings against any officer, employee or agent of an Issuing Bank in respect of any claim it might have against the Issuing Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Issuing Bank may rely on this Clause.

Credit Appraisal by the Additional Revolving Facility Lenders

(u) Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Additional Revolving Facility Lender confirms to the relevant Issuing Bank that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document, including but not limited to, those listed in paragraphs (a) to (d) of Clause 25.17 (*Credit Appraisal by the Lenders*).

Right of Contribution

(v) No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this Clause 2.10.

2.11 Ancillary Facilities

Establishment of Ancillary Facilities

(a) One or more Ancillary Facilities may from time to time be established in favour of one or more Borrowers in accordance with this Clause 2.11 by designating all or part of the Additional Revolving Facility Commitment of an Additional Revolving Facility Lender as an Ancillary Commitment.

Types of Ancillary Facility

(b) Each Ancillary Facility may comprise any of the following (or any combination of the following):

(i) overdraft, cheque clearing, automatic payment or other current account facilities;

(ii) guarantee, bonding or documentary or standby letter of credit facilities;

(iii) derivatives facilities for protection against or to benefit from fluctuations in any rate or price in the ordinary course of trade (and not for speculative purposes); and

(iv) such other facilities as may be required and as the Company and the relevant Ancillary Lender may agree.

Request for Ancillary Facilities

(c) The Company may, at any time, request the establishment of an Ancillary Facility by delivery to the Agent of a duly completed Ancillary Facility Request.

(d) An Ancillary Facility Request relating to a proposed Ancillary Facility will not be regarded as duly completed unless it identifies:

(i) the Borrower(s) under that Ancillary Facility;

(ii) the Ancillary Lender (which must be an Additional Revolving Facility Lender) which is to make available that Ancillary Facility;

(iii) the type or types of facility to comprise that Ancillary Facility (which must comply with Clause 2.11(b));

(iv) the date (the "**Commencement Date**") on which that Ancillary Facility is to become available (which must be a date on which the Additional Revolving Facility is available to be drawn and must not be less than 3 Business Days after the date on which the Agent receives the Ancillary Facility Request);

(v) the expiry date of that Ancillary Facility (which must fall on or before the Termination Date applicable to the Additional Revolving Facility);

(vi) the amount of the Ancillary Commitment (which must be denominated in Euro or, in the case of any Ancillary Facility designated to be utilised by way of entering into a foreign exchange Senior Subordinated Notes Hedging Agreement, the currency in which any relevant Subordinated Company Loan or Subsidiary Proceeds Loan is denominated) which is to apply to that Ancillary Facility;

(vii) the currency or currencies (which must comply with paragraph (e) below) in which utilisations under that Ancillary Facility may be requested; and

(viii) the margin, commitment fee and other fees (other than upfront fees) payable in respect of that Ancillary Facility.

(e) An Ancillary Facility shall only be available for utilisation in the Base Currency or an Optional Currency.

Grant of Ancillary Facility

(f) The Agent shall, promptly after receipt by it of an Ancillary Facility Request, notify each Additional Revolving Facility Lender of that Ancillary Facility Request.

(g) The Additional Revolving Facility Lender identified in a duly completed Ancillary Facility Request shall become an Ancillary Lender authorised to make the proposed Ancillary Facility available with effect from the proposed Commencement Date, if the following conditions are fulfilled:

(i) the proposed Ancillary Commitment under that Ancillary Facility is equal to or less than the Available Additional Revolving Facility Commitment of that proposed Ancillary Lender on that Commencement Date; and

(ii) the proposed Ancillary Lender has notified the Agent by that Commencement Date that it agrees to make available that Ancillary Facility.

Adjustment to Available Additional Revolving Facility Commitment

(h) The Available Additional Revolving Facility Commitment under the applicable Additional Revolving Facility Tranche of an Additional Revolving Facility Lender which is an Ancillary Lender under that Additional Revolving Facility Tranche shall be reduced by the amount of its Ancillary Commitments.

(i) If and to the extent that:

(i) any Ancillary Facility expires, or is cancelled (in whole or in part) in accordance with Clause 2.11(r); and

(ii) no amount is or may be payable to or by the Ancillary Lender in respect of that Ancillary Facility (or the relevant part of it),

the Available Additional Revolving Facility Commitment of the relevant Additional Revolving Facility Lender will immediately be increased by an amount equal to the amount of the Ancillary Commitment of that Additional Revolving Facility Lender (or, if less, that part of it which has expired or been cancelled provided that, in respect of any Ancillary Facility designated to be utilised by way of entering into a Senior Subordinated Notes Hedging Agreement, the extent that (i) and (ii) above are satisfied the Available Additional Revolving Facility Commitment of the relevant Senior Subordinated Notes Hedging Counterparty shall be automatically cancelled).

(j) The Agent may, by notice in writing to the Additional Revolving Facility Lenders under the relevant Additional Revolving Facility Tranche, reallocate drawn and undrawn Additional Revolving Facility Commitments at the end of an Interest Period among those Additional Revolving Facility Lenders as may be necessary to ensure that any Additional Revolving Facility Lender under the relevant Additional Revolving Facility Tranche that intends to enter into an Ancillary Facility has an Available Additional Revolving Facility Commitment sufficient to allow it to enter into such Ancillary Facility, provided that for the avoidance of doubt no such reallocation may increase any Additional Revolving Facility Lender's Additional Revolving Facility Commitment.

Terms of Ancillary Facilities

(k) The terms applicable to each Ancillary Facility shall be as agreed between the relevant Ancillary Lender and the relevant Borrower (as set out in the applicable Ancillary Facility Document), provided that:

(i) those terms shall be consistent with this Clause 2.11 and the details set out in the Ancillary Facility Request;

(ii) utilisations under an Ancillary Facility shall be used only for the general corporate purposes of the Group but excluding the financing or refinancing of any Permitted Acquisition, any payment or distribution permitted under Clause 21.22 (*Restriction on Payments*) or any prepayment or repayment of the other Facilities; and

(iii) the rate of interest, fees and other remuneration in respect of the Ancillary Facility shall be based upon the normal market rates and terms from time to time of that Ancillary Lender.

(l) No Ancillary Lender may demand repayment or prepayment of any amounts or demand cash cover for any liabilities made available or incurred by it under its Ancillary Facility (except where the Ancillary Facility is provided on a net limit basis to the extent required to bring any gross outstanding down to the net limit) prior to its expiry date unless:

(i) all the Commitments under the relevant Additional Revolving Facility Tranche have been cancelled in full or all outstanding Utilisations under that Additional Revolving Facility Tranche have become due and payable in accordance with the terms of this Agreement, or the Agent has declared all outstanding Utilisations under that Additional Revolving Facility Tranche immediately due and payable, or the expiry date of the Ancillary Facility occurs;

(ii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in its Ancillary Facility; or

(iii) the Ancillary Outstandings (if any) under that Ancillary Facility can be refinanced by an Additional Revolving Facility Advance under that Additional Revolving Facility Tranche and the Ancillary Lender gives sufficient notice to enable an Additional Revolving Facility Advance to be made under that Additional Revolving Facility Tranche to refinance those Ancillary Outstandings. Without prejudice to clause 4.1 (Prohibited Action) and clause 8.2 (Hedge Counterparties: permitted enforcement) of the Intercreditor Agreement, this paragraph (l), and paragraphs (m) and (n) below, do not apply to any Ancillary Lender which is a Senior Subordinated Notes Hedge Counterparty or in respect of its Additional Revolving Facility Commitment.

(m) For the purposes of determining whether or not the Ancillary Outstandings under an Ancillary Facility mentioned in paragraph (l)(iii) above can be refinanced by an Additional Revolving Facility Advance under that Additional Revolving Facility Tranche:

(i) the Available Additional Revolving Facility Commitment of the Ancillary Lender will be increased by the amount of its Ancillary Commitment; and

(ii) the Additional Revolving Facility Advance may (so long as paragraph (l)(i) above does not apply) be made irrespective of whether a Default is outstanding or any applicable condition precedent is not satisfied (but only to the extent that the proceeds are applied in refinancing those Ancillary Outstandings).

(n) On the making of an Additional Revolving Facility Advance to refinance all or part of any Ancillary Outstandings:

(i) each Lender under the relevant Additional Revolving Facility Tranche will participate in that Additional Revolving Facility Advance in an amount (as determined by the Agent) which will result as nearly as possible in the aggregate amount of its participation in the Additional Revolving Facility Utilisations then outstanding under the relevant Additional Revolving Facility Tranche bearing the same proportion to the aggregate amount of the Additional Revolving Facility Utilisations then outstanding under the relevant Additional Revolving Facility Tranche as its Additional Revolving Facility Commitment bears to the aggregate Additional Revolving Facility Commitments in each case in respect of the relevant Additional Revolving Facility Tranche; and

(ii) the relevant Ancillary Facility shall be cancelled to the extent of such refinancing.

(o) Without prejudice to clause 4.1 (Prohibited Action) of the Intercreditor Agreement in respect of any Ancillary Facility utilised by way of entering into a Senior Subordinated Notes Hedging Agreement, an amendment or waiver of any term of an Ancillary Facility shall not require the consent of any Finance Party other than the relevant Ancillary Lender unless the amendment or waiver relates to a matter which would require an amendment to this Agreement. In that case, the provisions of this Agreement relating to amendments and waivers will apply.

(p) In the case of any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for (i) Clause 31.1 (*Day Count Convention*), (ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Facility shall prevail to permit the netting of balances on those accounts; and (iii) the governing law of the Ancillary Facility.

Limits on Ancillary Facilities

(q) The Company shall ensure that:

(i) the Ancillary Outstandings under any Ancillary Facility do not at any time exceed the Ancillary Commitment under that Ancillary Facility; and

(ii) the aggregate of the Ancillary Outstandings in respect of an Ancillary Facility and the relevant Ancillary Lender's share of all other outstanding Additional Revolving Facility Utilisations do not at any time exceed that Ancillary Lender's Additional Revolving Facility Commitment under the relevant Additional Revolving Facility Tranche.

Voluntary Cancellation of Ancillary Facilities

(r) The Company may, if it gives the Agent and the relevant Ancillary Lender not less than 5 Business Days' prior notice, cancel the whole or any part of the Ancillary Commitment under an Ancillary Facility.

Notice in respect of Ancillary Facilities

(s) Each Ancillary Lender shall promptly notify the Agent of:

(i) the establishment by it of any Ancillary Facility and the applicable Commencement Date;

(ii) the amount of any Ancillary Facility which is cancelled or expires and the date of any such cancellation or expiry; and

(iii) any other information relating to any Ancillary Facility provided by it (other than upfront fees) as the Agent may reasonably request, including the Ancillary Outstandings from time to time.

(t) The Agent may assume, unless it has received notice to the contrary in its capacity as agent for the Lenders, that no Ancillary Facility has expired or been cancelled in whole or part.

(u) Each Obligor consents to all information described in paragraph (s) above being disclosed to the Finance Parties.

Ancillary Outstandings

(v) The relevant Borrower under an Ancillary Facility shall repay or pay on the due date each amount payable under that Ancillary Facility.

(w) Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Additional Revolving Facility Commitment under any Additional Revolving Facility Tranche is not less than:

(i) its Ancillary Commitments under that Additional Revolving Facility Tranche; or

(ii) the Ancillary Commitments of its Affiliates under that Additional Revolving Facility Tranche.

Affiliates of Lenders as Ancillary Lenders

(x) Subject to the terms of this Agreement, an Affiliate of an Additional Revolving Facility Lender may become an Ancillary Lender. In such case, the Lender and its Affiliate shall be treated as a single Lender whose Additional Revolving Facility Commitment is the amount of any Additional Revolving Facility Commitment transferred to or assumed by that Lender under this Agreement, to the extent (in each case) not cancelled, reduced or transferred by it under this Agreement. For the purposes of calculating the Lender's Available Additional Revolving Facility Commitment with respect to the relevant Additional Revolving Facility Tranche, the Lender's Commitment shall be reduced to the extent of the aggregate of the Ancillary Commitments of its Affiliates under that Additional Revolving Facility Tranche.

(y) The Company shall specify any relevant Affiliate of a Lender in any notice delivered by the Company to the Agent pursuant to Clause 2.11 (c).

(z) An Affiliate of a Lender which becomes an Ancillary Lender shall accede to the Intercreditor Agreement as a Senior Lender (as defined in the Intercreditor Agreement).

(aa) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a new Lender, its Affiliate shall cease to have any obligations under this Agreement or any Ancillary Document.

(bb) Where this Agreement or any other Finance Document imposes an obligation on an Ancillary Lender and the relevant Ancillary Lender is an Affiliate of a Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

3. CONDITIONS PRECEDENT

(a) The Mandated Lead Arrangers confirm to the Agent that they have received, on or before the date of this Agreement, all documents and information specified in Part I of Schedule 3 (*Conditions Precedent*) in form and substance satisfactory to them.

(b) The obligations of the Finance Parties under this Agreement shall be conditional on the satisfaction of the conditions listed in Part II of Schedule 3 (*Conditions Precedent*).

(c) The obligations of the Finance Parties under this Agreement in respect of the A (Acq) Facility, B (Acq) Facility and Second Lien (Acq) Facility shall be conditional upon the satisfaction of the conditions listed in Part III of Schedule 3 (*Conditions Precedent*).

(d) The obligations of the Finance Parties under this Agreement in respect of the C Facility (other than the C (Additional Senior Financing) Facility) shall be conditional upon the satisfaction of the conditions listed in Part VII of Schedule 3 (*Conditions Precedent*).

(e) The obligations of the Finance Parties under this Agreement in respect of the C (Additional Senior Financing) Facility shall be subject to the satisfaction of all documentary conditions precedent set out in Schedule 3 to the C (Additional Senior Financing) Facility Commitment Letter.

(f) No Advance may be made under a C (Additional Senior Financing) Facility tranche unless no later than the fifth Business Day prior to the date on which such Advance is to be made, the chief financial officer of the Company provides to the Agent a certificate demonstrating that on a *pro forma* basis (including interest, fees and expenses in respect of such Advance) (based on information available to the chief financial officer at such time) the financial covenants set out in Clause 19 (*Financial Condition*) will be complied with up to the Final Maturity Date for the C Facility provided that in the case of a C (Additional Senior Financing) Facility Advance which will cause the 2011 Extension Effective Date to occur, the certificate should demonstrate compliance on a *proforma basis* with the financial covenants as applicable from and upon the occurrence of the 2011 Extension Effective Date.

(g) No Advance may be made under a C (Additional Senior Financing) Facility tranche unless the Agent has received the documents listed in Schedule 25 (*Conditions precedent to C (Additional Senior Financing) Facility Utilisation*) on or before the first Utilisation Date in respect of such C (Additional Senior Financing) Facility tranche and the relevant C (Additional Senior Financing) Facility Lender shall have no obligation to make the relevant Advance unless it has received the applicable conditions precedent listed in the relevant C (Additional Senior Financing) Facility Commitment Letter to its satisfaction (acting reasonably).

(h) The obligations of the Finance Parties under this Agreement in respect of the Additional Revolving Facility shall be subject to the satisfaction of all documentary conditions precedent and further conditions precedent to each Utilisation set out in the relevant Additional Revolving Facility Commitment Letter and to be provided in accordance with paragraph (j) of Clause 2.8 (*Additional Revolving Facility*).

(i) The Agent and the Security Agent each hereby undertake to the Obligors to (and are instructed and authorised by the Finance Parties to) execute, not later than the third Business Day after being requested to do so by the Company, those documents required to be delivered under Schedule 20 (*Conditions to issuance of Senior Subordinated Notes*), Schedule 22 (*Conditions to the occurrence of the 2011 Extension Effective Date*) and/or Schedule 25 (*Conditions precedent to to C (Additional Senior Financing) Facility Utilisation*) to which it is party, provided that:

(A) the relevant documents have been duly executed by the other parties thereto and comply with the terms of the Finance Documents and, in particular, the requirements specified in respect of those documents in Schedule 20 (*Conditions to issuance of Senior Subordinated Notes*), Schedule 22 (*Conditions to the occurrence of the 2011 Extension Effective Date*) or (as applicable) Schedule 25 (*Conditions precedent to to C (Additional Senior Financing) Facility Utilisation*) or the definitions of those documents;

(B) in relation to the execution of documents to be executed by the Agent and/or the Security Agent under Schedule 25 (*Conditions precedent to to C (Additional Senior Financing) Facility*

Utilisation) the Agent has received all documentation and information required under paragraph (e) of Clause 2.7 (*C (Additional Senior Financing*) Facility); and

(C) without prejudice to the other provisions of this Agreement, if the relevant documents are not in agreed form prior to the Fifth Amendment Agreement Date, such request for execution may not be delivered before such documents are in agreed form.

4. UTILISATION

4.1 Conditions to Utilisation

Save as otherwise provided in this Agreement, a Utilisation will be made by the Lenders to a Borrower at a Borrower's request if:

(a) the Agent has received from the relevant Borrower a duly completed Utilisation Request not later than 10.00 am on a day which is no more than ten nor less than three Business Days prior to the proposed Utilisation Date for such Utilisation or such shorter period as the Agent agrees with the Company in respect of Utilisation Requests delivered in relation to the Initial Closing Date and the Acquisition Closing Date, receipt of which shall oblige the relevant Borrower to borrow the amount requested on the date stated upon the terms and subject to the conditions contained herein and may be cancelled by the relevant Borrower at any time prior to the proposed Utilisation, subject to the payment of any Break Costs (excluding Mandatory Costs);

(b) the proposed Utilisation Date is a Business Day for euro (or for a C (Additional Senior Financing) Facility Advance or an Additional Revolving Facility Utilisation in US dollars, a Business Day for US dollars, or for an Additional Revolving Facility Utilisation in an other currency, a Business Day for that other currency) which falls during the Availability Period and, unless the proposed Utilsation is a Rollover Advance or a Letter of Credit being renewed in accordance with Clauses 2.9(l), 2.9(m), 2.9(n) and 2.9(o) (*Renewal of a Letter of Credit*), is not less than three Business Days after the date upon which the previous Utilisation in respect of the relevant Facility (if any) was made hereunder;

(c) the proposed amount of such Utilisaton is at least €1,000,000 in the case of the Capital Investment Facility or, if less, the relevant Available Commitment;

(d) the A (Recap) Facility, the B (Recap) Facility and the Second Lien (Recap) Facility are simultaneously utilised on the Initial Closing Date and on a pro rata basis;

(e) the A (Acq) Facility, the B (Acq) Facility and the Second Lien (Acq) Facility are simultaneously utilised on the Acquisition Closing Date and on a pro rata basis;

(f) the C (Recap) Facility and the C (Acq) Facility are simultaneously utilised on the Refinancing Date;

(g) immediately after the making of such Advance there will be no more than 4 A (Recap) 1 Facility Advances, 2 A (Acq) Facility Advances, 6 B (Recap) Facility Advances, 3 B (Acq) Facility Advances, 1 C (Recap) Facility Advance, 1 C (Acq) Facility Advance, 1 Second Lien (Recap) Facility Advance, 1 Second Lien (Acq) Facility Advance, 10 Capital Investment Facility 1 Advances and 10 Capital Investment Facility 2 Advances outstanding at any time;

(h) the interest rate applicable to such Advance's first Interest Period will not have to be determined under Clause 10 (*Market Disruption and Alternative Interest Rates*);

(i) in the case of Advances (other than under the Capital Investment Facility or the Additional Revolving Facility) the proposed borrowers are the Original Borrowers;

(j) in the case of an Advance other than a Rollover Advance:

(i) the representations made or deemed to be made by an Obligor referenced in paragraph (b) of Clause 17.27(*Repetition*) are true (before and after such Advance) in all respects on and as of the relevant Utilisation Date; and

(ii) no Default has occurred which is continuing or would occur as a result of such Advance;

(k) in the case of a Rollover Advance, no notice has been delivered by the Agent in accordance with Clause 22.18 (*Acceleration*) and no event or circumstances set out in Clause 22.7 (*Insolvency*), 22.8 (*Winding-up*) and 22.10 (*Similar Events Elsewhere*) has occurred and is continuing in relation to the Borrower to which such Rollover Advance relates; and

(l) in respect of the C (Additional Senior Financing) Facility and Additional Revolving Facility, the amount of any Advance is not less than the minimum amount specified in the relevant C (Additional Senior Financing) Facility Commitment Letter or Additional Revolving Facility Commitment Letter, as the case may be.

4.2 Lenders' Participation

Each Lender will participate through its Facility Office in each Utilisation made pursuant to Clause 4.1 (*Conditions to Utilisation*) in its respective Facility Proportion.

4.3 Certain Funds

(a) During the Initial Certain Funds Period, unless a Certain Funds Default is continuing or would result from the proposed Advance, neither the Agent nor any of the Lenders shall:

(i) invoke any condition set out in paragraph (j) of Clause 4.1 (*Conditions to Utilisation*) as a ground for refusing to make any Advance to be made during the Initial Certain Funds Period under A (Recap) Facility, B (Recap) Facility and Second Lien (Recap) Facility to the extent of its Available Commitment in respect of the A (Recap) Facility, the B (Recap) Facility or the Second Lien (Recap) Facility;

(ii) exercise any right, power or discretion to terminate or cancel the obligation to make any such Advance, other than under Clause 14 (*Illegality*) or Clause 6.3 (*Cancellation of Available Commitments*);

(iii) have or exercise any right of rescission or similar right or remedy which it or they may have in respect of this Agreement in respect of any such Advance;

(iv) take any step under Clause 22.18 (*Acceleration*) in respect of any such Advance or that part of the Commitments which may be used by way of any such Advance; or

(v) exercise any right of set-off or counterclaim in respect of any such Advance.

However, as soon as the Initial Certain Funds Period ends (or if earlier, on the Initial Closing Date immediately following the drawdown of those Advances), all those rights, remedies and entitlements shall be available even though they have not been exercised or available during the Initial Certain Funds Period.

(b) During the Acquisition Certain Funds Period, unless a Certain Funds Default is continuing or would result from the proposed Advance, neither the Agent nor any of the Lenders shall:

(i) invoke any condition set out in paragraph (j) of Clause 4.1 (*Conditions to Utilisation*) as a ground for refusing to make any Advance under A (Acq) Facility, B (Acq) Facility, Second Lien (Acq) Facility or the Capital Investment Facility (to the extent required to fund purchase price adjustments under the Acquisition Agreement) to be made during the Acquisition

Certain Funds Period to the extent of its Available Commitment in respect of the A (Acq) Facility, the B (Acq) Facility, the Second Lien (Acq) Facility or Capital Investment Facility;

(ii) exercise any right, power or discretion to terminate or cancel the obligation to make any such Advance, other than under Clause 14 (*Illegality*) or Clause 6.3 (*Cancellation of Available Commitments*);

(iii) have or exercise any right of rescission or similar right or remedy which it or they may have in respect of this Agreement in respect of any such Advance;

(iv) take any step under Clause 22.18 (*Acceleration*) in respect of any such Advance or that part of the Commitments which may be used by way of any such Advance; or

(v) exercise any right of set-off or counterclaim in respect of any such Advance.

However, as soon as the Acquisition Certain Funds Period ends (or, if earlier, on the Acquisition Closing Date immediately following the Acquisition), all those rights, remedies and entitlements shall be available even though they have not been exercised or available during the Acquisition Certain Funds Period.

4.4 Conditions relating to Optional Currencies

(a) A currency will constitute an Optional Currency in relation to an Additional Revolving Facility Utilisation or an Ancillary Facility Utilisation if:

(i) it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market on the Quotation Date and the Utilisation Date for that Additional Revolving Facility Utilisation or, applicable, the date for utilisation of that Ancillary Facility; and

(ii) it has been approved by (in the case of an Additional Revolving Facility Utilisation) the Agent (acting on the instructions of all the Additional Revolving Facility Lenders under the relevant Additional Revolving Facility Tranche) on or prior to receipt by the Agent of the relevant Utilisation Request for that Utilisation or (in the case of a utilisation of an Ancillary Facility) the relevant Ancillary Lender.

(b) If, in relation to an Additional Revolving Facility Utilisation, prior to the Specified Time, the Agent has received a written request from the Company for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Company by the Specified Time:

(i) whether or not the relevant Lenders have granted their approval; and

(ii) if approval has been granted, the minimum amount for any subsequent Utilisation under that Additional Revolving Facility Tranche in that currency.

(c) A Borrower (or the Company on its behalf) shall select the currency of an Additional Revolving Facility Utilisation in the Utilisation Request for that Additional Revolving Facility Utilisation.

(d) If before the Specified Time, in respect of an Additional Revolving Facility Advance:

(i) an Additional Revolving Facility Lender notifies the Agent that the Optional Currency requested in relation to such Additional Revolving Facility Advance is not readily available to it in the amount required; or

(ii) an Additional Revolving Facility Lender notifies the Agent that compliance with its obligation to participate in the requested Additional Revolving Facility Advance in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the relevant Borrower to that effect by the Specified Time on that day. In this event, any Additional Revolving Facility Lender that gives notice pursuant to this Clause will be required to participate in the Additional Revolving Facility Advance in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount) and its participation will be treated as a separate Additional Revolving Facility Advance denominated in the Base Currency during that Interest Period.

5. REPAYMENT OF TERM FACILITY OUTSTANDINGS

5.1 Repayment of A (Recap) and A (Acq) Facility Outstandings

(a) The Parent shall procure (and each Borrower to whom an A (Recap) Facility Advance or an A (Acq) Facility Advance was made shall make such repayments as may be necessary to ensure) that on each Repayment Date set out in the table below the aggregate amount of the A (Recap) Facility Outstandings (excluding the A (Recap) 1-II Facility Outstandings as from the 2011 Extension Effective Date) and the A (Acq) Facility Outstandings (excluding the A (Acq) 1-II Facility Outstandings as from the 2011 Extension Effective Date), as the case may be, borrowed by such Borrower (as at the close of business in Paris on the Initial Closing Date or the Acquisition Closing Date) is reduced by an amount equal to the percentage of such A (Recap) Facility Outstandings (excluding the A (Recap) 1-II Facility Outstandings as from the 2011 Extension Effective Date) or the A (Acq) Facility Outstandings (excluding the A (Acq) 1-II Facility Outstandings as from the 2011 Extension Effective Date), as the case may be, set out in the table below.

Repayment Date	Percentage of A (Recap) Facility Outstandings as from the 2011 Extension Effective Date) Repayable	Percentage of A (Acq) Facility Outstandings (excluding the A (Acq) 1-II Facility Outstandings as from the 2011 Extension Effective Date) Repayable
30 June 2007	1.50%	1.50%
31 December 2007	1.50%	1.50%
30 June 2008	5.00%	5.00%
31 December 2008	5.00%	5.00%
30 June 2009	7.00%	7.00%
31 December 2009	7.00%	7.00%
30 June 2010	8.50%	8.50%
31 December 2010	8.50%	8.50%
30 June 2011	9.50%	9.50%
31 December 2011	9.50%	9.50%
30 June 2012	10.00%	10.00%
31 December 2012	10.00%	10.00%
Final Maturity Date	Any A (Recap) Facility Outstandings (excluding the A (Recap) 1-II Facility Outstandings as from the 2011 Extension Effective Date) on the Final Maturity Date	Any A (Acq) Facility Outstandings (excluding the A (Acq) 1-II Facility Outstandings as from the 2011 Extension Effective Date) on the Final Maturity Date

(b) The Parent shall procure (and each Borrower to whom an A (Recap) 1 Facility Advance or an A (Acq) 1 Facility Advance was made shall make such repayments as may be necessary to ensure) that on each Repayment Date set out in the table below the aggregate amount of the A (Recap) 1-II Facility Outstandings and the A (Acq) 1-II Facility Outstandings, as the case may be, owed by such Borrower (as at the close of business in Paris on the 2011 Extension Effective Date and including for the avoidance of doubt any capitalised Rolled-up Margin) is reduced by an amount

equal to the percentage of such A (Recap) 1-II Facility Outstandings or the A (Acq) 1-II Facility Outstandings, as the case may be, set out in the table below.

Repayment Date	Percentage of A (Recap) 1-II Facility Outstandings as from the 2011 Extension Effective Date) Repayable	Percentage of A (Acq) 1-II Facility Outstandings as from the 2011 Extension Effective Date) Repayable
31 December 2012	2.50%	2.50%
30 June 2013	5.00%	5.00%
31 December 2013	13.00%	13.00%
30 June 2014	21.50%	21.50%
31 December 2014	21.50%	21.50%
Final Maturity Date	Any A (Recap) 1-II Facility Outstandings on the Final Maturity Date	Any A (Acq) 1-II Facility Outstandings on the Final Maturity Date

(c) For the avoidance of doubt, until the 2011 Extension Effective Date has occurred, the A (Recap) 1-II Facility Outstandings and the A (Acq) 1-II Facility Outstandings shall not be excluded from paragraph (a) above and shall be repaid on the same dates and in the same percentages as the other A (Recap) Facility Outstandings and A (Acq) Facility Outstandings.

(d) Notwithstanding paragraphs (a) and (b) above, in the event that the Acquisition Closing Date does not occur prior to the date falling four months after the Initial Closing Date, the repayment instalment due on 20 June 2007 in the table above for the A (Acq) Facility Outstandings shall not be due on that date and the amount which would otherwise have been payable shall be allocated to the remaining instalments pro rata.

(e) Notwithstanding paragraphs (a) and (b) above, if more than one Borrower has borrowed Advances under any Facility, then the Company may, provided that it demonstrates to the Agent that the ratio of total net borrowings to annualised EBITDA for each of the Borrowers (calculated in the same manner as for Consolidated Total Net Borrowings and Annualised EBITDA for the Group but on an individual Borrower (consolidated if it has Subsidiaries) basis under such Facility) is less than 5.0:1 on the most recent Quarter Date, elect which Borrower's Advances are repaid on any Repayment Date.

5.2 Repayment of B Facility Outstandings and C Facility Outstandings

(a) The Parent shall procure (and each Borrower to whom a B Facility Advance or a C Facility Advance (other than a C (Additional Senior Financing) Facility Advance) was made shall make such repayments as may be necessary to ensure) that the B Facility Outstandings and the C Facility Outstandings (other than a C (Additional Senior Financing) Facility Outstandings) are repaid on the relevant Final Maturity Date.

(b) The Parent shall procure (and the Company shall make such repayments as are necessary to ensure) that the C (Additional Senior Financing) Facility Outstandings are repaid on the relevant Final Maturity Date applicable to each C (Additional Senior Financing) Facility tranche.

5.3 Repayment of Capital Investment Facility Outstandings

(a) The Parent shall procure (and each Borrower to whom a Capital Investment Facility Advance was made shall make such repayments as may be necessary to ensure) that the Capital Investment Facility 1 Outstandings are repaid on the relevant Final Maturity Date.

(b) The Parent shall procure (and each Borrower to whom a Capital Investment Facility Advance was made shall make such repayments as may be necessary to ensure) that on each Repayment Date set out in the table below the aggregate amount of the Capital Investment Facility 2 Outstandings (excluding the Capital Investment Facility 2-II Outstandings as from the 2011 Extension Effective Date) is reduced by an amount equal to the percentage of such Capital Investment Facility 2 Outstandings (excluding the Capital Investment Facility 2-II Outstandings as from the 2011 Extension Effective Date) set out in the table below.

Repayment Date	Percentage of Capital Investment Facility 2 Outstandings (excluding the Capital Investment Facility 2-II Outstandings as from the 2011 Extension Effective Date) Repayable
31 December 2010	16.66%
30 June 2011	16.66%
31 December 2011	16.66%
30 June 2012	16.66%
31 December 2012	16.68%
Final Maturity Date	Any Capital Investment Facility 2 Outstandings (excluding the Capital Investment Facility 2-II Outstandings) on the Final Maturity Date

(c) As from the 2011 Extension Effective Date the Parent shall procure (and each Borrower to whom a Capital Investment Facility 2 Advance was made shall make such repayments as may be necessary to ensure) that on each Repayment Date set out in the table below the aggregate amount of the Capital Investment Facility 2-II Outstandings (as at the close of business in Paris on the 2011 Extension Effective Date and including for the avoidance of doubt any capitalised Rolled-up Margin) is reduced by an amount equal to the percentage of such Capital Investment Facility 2-II Outstandings set out in the table below.

Repayment Date	Percentage of Capital Investment Facility 2-II Outstandings Repayable
31 December 2012	2.50%
30 June 2013	5.00%
31 December 2013	17.50%
30 June 2014	25.00%
31 December 2014	25.00%
Final Maturity Date	Any Capital Investment Facility 2-II Outstandings on the Final Maturity Date

5.4 Repayment of Second Lien Facility Outstandings

Each Borrower which has drawn a Second Lien Facility Advance shall (and the Parent shall ensure that each relevant Borrower shall) repay the aggregate Second Lien Facility Advance on the Final Maturity Date.

5.5 No Reborrowing of Term Facility Advances

No Borrower may reborrow any part of any Term Facility which is repaid.

5.6 Repayment of Additional Revolving Facility Outstandings

(a) Each Borrower which has drawn an Additional Revolving Facility Advance shall repay that Advance on the last day of its Interest Period.

(b) Without prejudice to each Borrower's obligation under paragraph (a) above, if one or more Additional Revolving Facility Advances are to be made available to a Borrower:

(i) on the same day that a maturing Additional Revolving Facility Advance is due to be repaid by that Borrower;

(ii) in the same currency as the maturing Additional Revolving Facility Advance; and

(iii) in whole or in part for the purpose of refinancing the maturing Additional Revolving Facility Advance;

the aggregate amount of the new Additional Revolving Facility Advances shall be treated as if applied in or towards repayment of the maturing Additional Revolving Facility Advance so that:

(A) if the amount of the maturing Additional Revolving Facility Advance exceeds the aggregate amount of the new Additional Revolving Facility Advances:

(1) the relevant Borrower will only be required to pay an amount in cash in the relevant currency equal to that excess; and

(2) each Lender's participation (if any) in the new Additional Revolving Facility Advances shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation (if any) in the maturing Additional Revolving Facility Advance and that Lender will not be required to make its participation in the new Additional Revolving Facility Advances available in cash; and

(B) if the amount of the maturing Additional Revolving Facility Advance is equal to or less than the aggregate amount of the new Additional Revolving Facility Advances:

(1) the relevant Borrower will not be required to make any payment in cash; and

(2) each Lender will be required to make its participation in the new Additional Revolving Facility Advances available in cash only to the extent that its participation (if any) in the new Additional Revolving Facility Advances exceeds that Lender's participation (if any) in the maturing Additional Revolving Facility Advance and the remainder of that Lender's participation in the new Additional Revolving Facility Advances shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Additional Revolving Facility Advance.

(C) No amount of an Additional Revolving Facility Advance may be outstanding after the Termination Date for the Additional Revolving Facility.

5.7 Reborrowing of Additional Revolving Facility

Unless a contrary indication appears in this Agreement, any part of the Additional Revolving Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

5.8 Repayment of Ancillary Facilities

On the Termination Date applicable to the Additional Revolving Facility, each Borrower under an Ancillary Facility shall repay all amounts (if any) owing or outstanding under that Ancillary Facility.

6. CANCELLATION

6.1 Voluntary Cancellation

(a) Any Borrower may, at any time, by giving to the Agent not less than five Business Days' prior written notice to that effect, cancel the whole or any part (being a minimum amount of €1,000,000 and an integral multiple of €1,000,000) of the A Facility, the B Facility, the C Facility and the Second Lien Facility and any such cancellation shall reduce the Available A Facility Commitments, Available B Facility Commitments, Available C Facility Commitments and Available Second Lien Facility Commitments of all the Lenders rateably without penalty or premium due on such cancellation. As between A (Recap) 1 Facility Commitments and A (Recap) 2 Facility Commitments and A (Acq) 1 Facility Commitments and A (Acq) 2 Facility Commitments, any reduction shall be made in such a way as to ensure Belgian Borrowers borrow only under the A (Recap) 2 Facility and A (Acq) 2 Facility.

(b) Any Borrower may at any time, by giving to the Agent not less than five Business Days' prior written notice to that effect, cancel the whole or any part (being a minimum amount of €1,000,000 and an integral multiple of €500,000) of the Available Capital Investment Facility and any such cancellation shall reduce the Available Capital Investment Facility Commitment of all the Lenders rateably without penalty or premium due on such cancellation.

(c) Any Borrower may at any time, by giving to the Agent not less than five Business Days' prior written notice to that effect, cancel the whole or any part (being a minimum amount of €1,000,000 (or its currency equivalent) and an integral multiple of €500,000 (or its currency equivalent)) of the Available Facility under an Additional Revolving Facility Tranche, and any such cancellation shall reduce the relevant Available Additional Revolving Facility Commitments of the relevant Lenders rateably, without penalty or premium due on such cancellation.

6.2 Notice of Cancellation

Any notice of cancellation given by a Borrower pursuant to Clause 6.1 (*Voluntary Cancellation*) shall be irrevocable and shall specify the date upon which such cancellation is to be made and the amount of such cancellation.

6.3 Cancellation of Available Commitments

(a) On each Termination Date, any Available Commitments in respect of the Facility to which such Termination Date relates shall automatically be cancelled and the Available Commitment of each Lender in relation to such Facility shall automatically be reduced to zero.

(b) On the Initial Closing Date, any Available Commitments in respect of the A (Recap) Facility, B (Recap) Facility and Second Lien (Recap) Facility shall be cancelled to the extent not drawn.

(c) Immediately following the Second Lien Facility Prepayment and the Mezzanine Facilities Prepayment on the Refinancing Date, any Available Commitments in respect of the C (Recap) Facility and the C (Acq) Facility shall be cancelled to the extent not drawn.

(d) The Additional Revolving Facility Commitments under an Additional Revolving Facility Tranche shall be immediately cancelled at the end of that Availability Period for that Additional Revolving Facility Tranche.

7. VOLUNTARY PREPAYMENT

7.1 Voluntary Prepayment

(a) The Borrower to whom a Utilisation has been made shall, if it (or the Company on its behalf) has given to the Agent not less than five Business Days' prior written notice to that effect, repay such Utilisation in whole or in part (but if in part, in an amount that reduces the amount of the relevant Utilisation by a minimum amount of €2,000,000 and an integral multiple of €500,000 thereafter) together with accrued interest on the amount repaid without premium or penalty but subject to the payment of any Break Costs.

(b) No C (Additional Senior Financing) Facility Advance may be prepaid under this Clause 7.1 except:

(i) from the proceeds of another C (Additional Senior Financing) Facility Advance;

(ii) from the proceeds of a Subordinated Company Loan; and/or

(iii) (provided that the other Term Facility Outstandings are at the same time prepaid on a *pro rata* basis) from Retained Excess Cash Flow.

7.2 Order of Application

Prepayment made pursuant to Clause 7.1 (*Voluntary Prepayment*) shall be applied against the Outstandings of such Facilities and repayment instalments as the Company shall elect.

7.3 Right of Prepayment and cancellation in relation to a single Lender

If any sum payable to any Lender by an Obligor is required to be increased under Clause 12.1 (*Tax Gross-up*) or a Lender claims indemnification from the Company under the provisions of Clause 12.2 (*Tax Indemnity*) or Clause 13.1 (*Increased Costs*) or any Lender notifies the Agent of its Additional Cost Rate under paragraph 3 or 4 of Schedule 5 (*Mandatory Cost Formulae*) and that Additional Cost Rate is greater than zero or any amount payable to any Lender by a French Borrower under an Extended Facility (with effect from the 2011 Extension Effective Date), a C (Additional Senior Financing) Facility tranche or an Additional Revolving Facility Tranche is not, or will not be (when the relevant corporate tax is calculated) treated as a deductible charge or expense for French tax purposes for that French Borrower by reason of that amount being paid or accrued to a Lender incorporated, domiciled, established or acting through a Facility Office situated in a Non-Cooperative Jurisdiction, or (ii) paid to an account opened in the name of or for the benefit of that Lender in a financial institution situated in a Non-Cooperative Jurisdiction and within 30 days thereafter the Agent receives from the Company and while the circumstances giving rise to such increase or indemnification or non-deductibility continue, at least 10 Business Days' prior notice of its intention to repay or to cause to be repaid such Lender's share of the Outstandings, the relevant Borrowers shall on the last day of each of the then current Interest Periods (as the case may be) repay such Lender's portion of each Utilisation to which such Interest Periods relate.

7.4 Release from Obligation to make Utilisations

A Lender for whose account a repayment is to be made under Clause 7.3 (*Right of Prepayment and Cancellation in relation to a single Lender*) shall not be obliged to participate in the making of Utilisations on or after the date upon which the Agent receives the relevant notice of intention to repay such Lender's share of the Outstandings, on which date all of such Lender's Available Commitments shall be cancelled and all of its Commitments shall be reduced to zero.

7.5 Notice of Repayment

Any notice of repayment given by a Borrower or the Company, as the case may be, pursuant to Clause 7.1 (*Voluntary Prepayment*) shall be irrevocable, shall specify the date upon which such repayment is to be made and the amount of such repayment and shall oblige the relevant Borrowers to make such repayment, and the Company to ensure that such repayment is made, on such date.

7.6 Restrictions on Repayment

No Obligor shall repay all or any part of any Utilisation except at the times and in the manner expressly provided for in this Agreement.

7.7 Cancellation upon Repayment

Except under the Additional Revolving Facility, no amount repaid under this Agreement may subsequently be reborrowed and upon any repayment the availability of the relevant Facility shall be reduced by an amount corresponding to the amount of such repayment and the Available Commitment of each Lender in relation to that Facility shall be cancelled in an amount equal to such Lender's Facility Proportion of the amount repaid.

8. MANDATORY PREPAYMENT

8.1 Change of Control

If a Change of Control or a sale of all or substantially all of the assets or business of the Group occurs then all of the Available Commitments shall immediately be cancelled, the Commitments of each Lender in respect of each Facility shall be reduced to zero and the Company shall procure (and each Borrower shall make such repayments as may be necessary to ensure) that the Outstandings are immediately repaid in full together with unpaid interest accrued thereon and all other amounts payable pursuant to Clause 26 (*Borrower's Indemnities*) and any other provision of this Agreement.

8.2 Mandatory Prepayment from Receipts

Subject as provided in Clause 8.8 (*Upstreaming monies*), the Company will procure (and each Borrower shall make such repayments as may be necessary to ensure) the prepayment of Outstandings in accordance with Clause 8.5 (*Prepayments from Receipts and Excess Cash Flow; Order of Application*) in an amount equal to:

(a) the Net Proceeds of any disposal of any asset or business of the Company or any other member of the Group (other than a disposal as permitted by Clause 21.2(a) to (c) inclusive, Clause 21.2(e) to the extent not involving Dormant Companies and Clause 21.2(f) (*Disposals*)), to the extent that the Net Proceeds of such disposal or series of related disposals exceed €20,000,000 (or its equivalent in other currencies) in the aggregate in any financial year, provided that such Net Proceeds shall not be required to be so applied to the extent that such Net Proceeds are reinvested (or committed to be reinvested) in other assets of comparable or superior quality and/or Permitted Acquisitions and Capital Expenditure as soon as practicable and in any event within 365 days (or such longer period as the Instructing Group may agree), from the date of the relevant disposal and if committed to be reinvested, are so reinvested within a further period of 180 days;

(b) the aggregate of any monies received by a member of the Group as a result of a claim under any insurance (other than one relating to third party liability, business interruption, loss of earnings or similar claims) received in respect of loss or destruction of assets (after deduction of all reasonable costs and expenses incurred by the Group in making such claim) in excess of €7,500,000 per claim or series of related claims to the extent not applied (or committed to be applied or designated by the board of directors of the Company to be applied) to reinstate, replace, repair or otherwise

invest in assets in respect of which such monies were received; within 365 days of receipt (or such longer period as the Instructing Group may agree) and if committed to be reinvested, are so reinvested within a further period of 180 days;

(c) (i) subject to paragraph (ii) below, if any member of the Group receives or recovers any amount under any Acquisition Document, or the Warranty Agreement dated 7 October 2005 made between Patrick Drahi, Pechel Industries SAS, SG Capital Europe Limited, ING Belgique SA and ENOLUX I Sàrl or the Master Agreement dated 21 December 2004 made between Ypso France SAS, Altice Two SA, the Cinven Investors, Compagnie Générale des Communications, NC Numéricâble Holding, Group Canal+ and France Télécom, which when aggregated with all other such payments under the same agreement is in excess of €7,500,000, the Company shall procure that an amount equal to the excess of such aggregate amount over €7,500,000 (net of any tax and after deduction of all costs and expenses incurred by the Group in obtaining such recovery) is applied in or towards repayment of the Outstandings in accordance with Clause 8.5 (*Prepayments from Receipts and Excess Cash Flow; Order of Application*);

(ii) any amount received or recovered under any Acquisition Document need not be so applied if within 365 days after receipt it is applied (or committed to be so applied or designated by the board of directors of the Company to be applied) in replacing, repairing or otherwise investing in assets or meeting liabilities (including payment of tax, environment liabilities, litigation and working capital deficiencies) in relation to which the relevant claim was made under the Acquisition Documents and if so committed or designated is so applied within a further 180 days;

(d) in respect of any Listing where no Change of Control has occurred, a percentage of the proceeds, net of reasonable fees, costs and expenses related thereto received by the Group as set out in the table below (on a pro forma basis, taking into account the prepayment of the Facilities with the proceeds pursuant to this paragraph):

Consolidated Total Net Borrowings:	**Applicable percentage:**
Annualised EBITDA on the most recent Quarter Date	
Greater than 5.5:1	50%
Equal to or less than 5.5:1 but greater than 4.5:1	25%
Equal to or less than 4.5:1	0%

Any balance not so prepaid shall be deemed to constitute Retained Excess Cash Flow; and

(e) the proceeds (net of reasonable fees, costs and expenses related thereto) which when aggregated with all other such proceeds exceed €500,000 in any financial year of recoveries from or claims against the providers of the reports provided pursuant to Schedule 3, other than to the extent it is applied (or committed to be applied or designated by the board of directors of the Company to be applied) to rectify the deficiency leading to such recovery or claim within 365 days of receipt (ands is so committed or designated to be applied, so applied within a further 180 days).

8.3 Proceeds of Senior Subordinated Notes and C (Additional Senior Financing) Facility Advances

(a) The Company shall procure that an amount equal to the amount of the entire proceeds of any Senior Subordinated Notes and any C (Additional Senior Financing) Facility Advances (in each case after deducting any related Senior Note Issue Costs and any Break Costs payable by the Borrowers in connection with such prepayments) shall be applied as follows:

(i) the first €150,000,000 shall be applied in prepayment of the A (Recap) 1-I Facility Outstandings, the A (Acq) 1-I Facility Outstandings, the A (Recap) 1-II Facility Outstandings,

the A (Acq) 1-II Facility Outstandings and the Capital Investment Facility Outstandings, pro rata across such Facilities, and within each such Facility pro rata against each repayment instalment of such Facility; and

(ii) (A) thereafter, €200,000,000 against the B (Recap) 1-II Facility Outstandings, the B (Acq) 1-II Facility Outstandings, the B (Acq) 2-II Facility Outstandings, the C (Recap)-II Facility Outstandings and the C (Acq)-II Facility Outstandings (together the "Extended B and C Facilities Outstandings") *pro rata* across such Facilities; and

(B) thereafter:

(I) in respect of any C (Additional Senior Financing) Facility Advances, 75% of the amount prepaid under this sub-paragraph (B)(I) against the B (Recap) 1-I Facility Outstandings, B(Acq) 1-I Facility Outstandings and B(Acq) 2-I Facility Outstandings, pro rata across such Facilities, and 25% of the amount prepaid under this subparagraph (B)(I) against the A (Recap) 1-I Facility Outstandings, the A(Acq) 1-I Facility Outstandings, the A (Recap) 1-II Facility Outstandings, the A (Acq) 1-II Facility Outstandings, the C (Recap)-I Facility Outstandings, the C (Acq)-I Facility Outstandings and the Capital Investment Facility Outstandings, pro rata across such Facilities and within each such Facility pro rata against each repayment instalment of such Facility; and

(II) in respect of any Senior Subordinated Notes, against the Outstandings under such Facilities (other than any C (Additional Senior Financing) Facility or any Additional Revolving Facility) and prepayment instalments as the Company may select.

(b) Each prepayment referred to in Clause 8.3(a) shall be made:

(i) in the case of a prepayment funded indirectly out of the proceeds of Senior Subordinated Notes (through Subordinated Proceeds Loans), on the date on which the Senior Subordinated Notes issue is made; and

(ii) in the case of a prepayment funded by a C (Additional Senior Financing) Facility Advance, on the date on which the relevant C (Additional Senior Financing) Facility Advance is drawn,

and in each case shall be without premium or penalty but subject to the payment of Break Costs (if any).

(c) The order of application set forth in paragraph (a) above shall only apply for so long as the aggregate amount of the prepayments made from the proceeds of C (Additional Senior Financing) Facility Advances borrowed, and Senior Subordinated Notes issued, after 15 February 2012 is not greater than €400,000,000.

(d) For so long as the aggregate of (1) any prepayments made in accordance with paragraph (a)(ii)(A) above and this paragraph (d), (2) any prepayments of any Extended B and C Facilities Outstandings made pursuant to paragraph (a)(ii)(B)(II) above or, if the relevant Lenders have declined their right to prepayment under this paragraph (d), any prepayments made in accordance with this paragraph (d) and (3) any voluntary prepayments made on or after 1 August 2011 and which are applied against any Extended B and C Facilities Outstandings or, if the relevant Lenders have declined their right to prepayment under this paragraph (d), any prepayments made in accordance with this paragraph (d) (any prepayments described in (3) above being "**Additional B/C Facility Prepayments**") is less than €350,000,000, Lenders having Commitments in the B (Recap) 1-II Facility, the B (Acq) 1-II Facility, the B (Acq) 2-II Facility, the C (Recap)-II Facility or the C (Acq)-II Facility shall have the right to decline any prepayments referred to in (1) and/or (2) and/or (3) above. In such a case, the Company shall apply any prepayment amounts so declined in prepayment of Term Facility Outstandings under any B Facilities or C Facilities (other than any

C (Additional Senior Financing) Facility), but, for the avoidance of doubt, only for so long as the aggregate of the prepayments described in (1), (2) and (3) above is less than €350,000,000, in such order as the Company may select (subject always to the right of the Lenders participating in the B (Recap) 1-II Facility, the B (Acq) 1-II Facility, the B (Acq) 2-II Facility, the C (Recap)-II Facility and the C (Acq)-II Facility to decline prepayment under this paragraph (d)).

8.4 Excess Cash Flow

Within fourteen days of delivery of the audited consolidated financial statements of the Group in each financial year of the Company (commencing with the financial year ending 31 December 2007 pursuant to Clause 18 (*Financial Information*), the Company will prepay Outstandings in an amount equal to (i) 50 per cent of the amount of Excess Cash Flow for such financial year in accordance with Clause 8.5 (*Prepayments from Receipts and Excess Cash Flow; Order of Application*) if the ratio of Consolidated Total Net Borrowings to Annualised EBITDA as at the end of such financial year is greater than 5.5:1; or (ii) 25 per cent of the amount of Excess Cash Flow for such financial year in accordance with Clause 8.5 (*Prepayments from Receipts and Excess Cash Flow; Order of Application*) if the ratio of Consolidated Total Net Borrowings to Annualised EBITDA as at the end of such financial year is equal to or less than 5.5 but greater than 4.5:1; or (iii) 0 per cent. of the amount of Excess Cash Flow for such financial year in accordance with Clause 8.5 (*Prepayments from Receipts and Excess Cash Flow; Order of Application*) if the ratio of Consolidated Total Net Borrowings to Annualised EBITDA as at the end of such financial year is equal to or less than 4.5:1. Calculations shall be made on a pro forma basis taking account of the prepayment required to be made by this paragraph.

8.5 Prepayments from Receipts and Excess Cash Flow; Order of Application

(a) Prepayments made pursuant to Clauses 8.2 (*Mandatory Prepayment from Receipts*) and 8.4 (*Excess Cash Flow*) shall:

(i) subject to (ii) below, as between the Term Facilities be applied against Outstandings pro rata to (A) the A Facility Outstandings, (B) the B Facility Outstandings, (C) the C Facility Outstandings and (D) after the end of the Availability Period for the Capital Investment Facility, the Capital Investment Facility Outstandings, in permanent reduction of such Outstandings; and in relation to instalments of the A Facility and the Capital Investment Facility, pro rata to the remaining scheduled instalments. Following repayment in full of the A Facility Outstandings, the B Facility Outstandings, the C Facility Outstandings and the Capital Investment Facility Outstandings, prepayments shall be applied to the Second Lien Facility Outstandings; and

(ii) notwithstanding (i) above, be applied at the Company's option to reduce the next four instalments of principal in respect of the A Facility falling due under Clause 5 (*Repayment of Term Facility Outstandings*) on a pro rata basis until each such instalment is reduced to 50% of its original scheduled amount and thereafter in prepayment of the Term Facilities (other than the Second Lien Facility) in accordance with paragraph (i) above. For this purpose different instalments in respect of the A Facility that fall due within one month of each other shall be deemed to be one single instalment.

(b) If, following the application under paragraph (a) above, there are excess proceeds remaining then the Available Additional Revolving Facility Commitments will be cancelled in an amount equal to that excess and, only to the extent that such excess proceeds exceed the remaining Available Additional Revolving Facility Commitments, shall such excess proceeds be used to reduce outstandings under the Additional Revolving Facility.

(c) Subject as otherwise provided in this Agreement, the Company shall by notice in writing to the Agent to be received not later than seven Business Days prior to the date of the relevant

repayment or prepayment designate which Utilisations are to be repaid or prepaid in order to meet amounts due on such date.

(d) Notwithstanding Clause 8.2(d) and paragraph (a)(i) above, in the event of a Listing, the Company may, if it so elects, apply the amount required for prepayment of the Facilities under Clause 8.2(d) to prepayment of the Facilities (other than the Second Lien Facility), the Second Lien Facility and/or the Mezzanine Facilities (in such proportion as the Company selects), provided that the ratio of Consolidated Total Net Borrowings to Annualised EBITDA on the most recent Quarter Date prior to the Listing is less than 5.0 : 1.

8.6 [Intentionally left blank]

8.7 Prepayments during Interest Periods

Where any amount required to be prepaid under Clauses 8.2 (*Mandatory Prepayment from Receipts*) or 8.4 (*Excess Cash Flow*) is received by the Agent during an Interest Period, the Company may by notice to the Agent to be received not less than four Business Days prior to payment of the relevant amount to the Agent, request such amount to be applied against the relevant Advance or Advances at the expiry of the relevant Interest Period.

8.8 Upstreaming monies

(a) The mandatory prepayments pursuant to Clause 8.2 (*Mandatory Prepayment from Receipts*) or 8.4 (*Excess Cash Flow*) shall be limited to the sum of (a) Cash and Cash Equivalent Investments held by the relevant Obligor, (b) distributable profits net of taxes for the current fiscal year of the Subsidiaries of such Obligor which are distributable (taking into account the relevant member of the Group's shareholding in such Subsidiaries and provided, in relation to any Obligor, that in the circumstances where the Obligor does not have, directly or indirectly, the power or ability to decide to pay any dividend or make any distribution of such Subsidiaries without the prior approval of the other shareholders, members or partners, as the case may be, in such Subsidiaries, such Obligor has used all reasonable endeavours to procure such prior approval) (c) distributable reserves of the Subsidiaries of such Obligor which are distributable (taking into account the relevant member of the Group's shareholding in such Subsidiaries and provided, in relation to any Obligor, that in the circumstances where the Obligor does not have, directly or indirectly, the power or ability to decide to pay any dividend or make any distribution of such Subsidiaries without the prior approval of the other shareholders, members or partners, as the case may be, in such Subsidiaries, such Obligor has used all reasonable endeavours to procure such prior approval), (d) any intercompany loan which can be lawfully granted by any member of the Group to the relevant Obligor(s) provided that such member of the Group holds Cash and/or Cash Equivalent Investments in order to make such intercompany loans and (e) any other debt owed by any member of the Group to the relevant Obligor(s) (either due and payable or, if not, provided that such member of the Group holds Cash and/or Cash Equivalent Investments sufficient to repay such debt), including, if any, any tax payment due and payable by any member of the Group to any Obligor in connection with the tax consolidation of the Group (net of provisions for taxes), in each case to be determined upon the date upon which the relevant prepayment obligation arose (or, if relevant, the date upon which the proceeds are received by the relevant Obligor).

(b) For the avoidance of doubt, the Lenders' right to a prepayment pursuant to Clause 8.2 (*Mandatory Prepayment from Receipts*) in relation to Net Proceeds or other amounts referred to in paragraphs (a) and (b) of Clause 8.2 (*Mandatory Prepayment from Receipts*) received by Subsidiaries not fully owned by the relevant Obligor, shall be limited to the percentage of the share capital of such Subsidiaries or percentage of the relevant interest, as the case may be, held in any partnership or other entity directly or indirectly held by the relevant Obligor.

(c) Further, such mandatory prepayments pursuant to Clause 8.2 (*Mandatory Prepayment from Receipts*) or 8.4 (*Excess Cash Flow*) shall be limited to the extent that such Net Proceeds and Excess Cash Flow can be obtained from each relevant Obligor or Subsidiary (whether direct or indirect) without such Obligor or Subsidiary (whether direct or indirect) being in breach of any law (including any law relating to the timing of distributions), regulation or binding ruling from a competent authority, and without the directors of such Obligor or Subsidiary incurring personal liability or breaching their fiduciary duties to such Obligor or Subsidiary and without the Group incurring a material cost (whether as a result of paying additional taxes or otherwise) disproportionate to the benefit conferred on the Finance Parties as determined by the Agent in consultation with the Company; provided that in each such case the Company shall deliver to the Lenders a certificate in form and substance reasonably satisfactory to the Agent setting forth the circumstances of such breach of law, regulation, binding ruling or fiduciary duty or such risk of personal liability.

(d) Where any such prohibition or risk of personal liability or breach of fiduciary duty exists, the Company shall procure that each of its Subsidiaries shall use all reasonable endeavours lawfully to overcome the prohibition or risk.

(e) To the extent that any Obligor's obligation to make a mandatory prepayment under this Clause 8 is limited by the provisions of this Clause 8.8, the balance of such Obligor's *pro rata* portion of such mandatory prepayment shall be paid by other Obligors to the extent permitted hereunder to be applied in accordance with Clause 8.5 (*Prepayments from Receipts and Excess Cash Flow; Order of Application*), to the extent permitted by applicable Law and subject to the limitations provided in this Clause 8.8. Any prepayment obligation by any Obligor which is limited by the provisions of this Clause 8 and which cannot be allocated to prepayment by other Obligors as previously provided, shall be on-going and shall be reinstated at the time and to the extent that the events or circumstances giving rise to such limitation shall cease to exist.

8.9 Mandatory prepayment—C (Additional Senior Financing) Facility

Notwithstanding anything to the contrary, the obligation to make a mandatory prepayment under this Clause 8 shall only apply to the C (Additional Senior Financing) Facility to the extent a corresponding prepayment is required in respect of the relevant Refinancing Debt.

9. INTEREST ON ADVANCES

9.1 Interest Periods for an Advance

The period for which an Advance is outstanding shall be divided into successive periods (each an "**Interest Period**") each of which (other than the first) shall start on the last day of the preceding such period and any Interest Period which begins during or at the same time as any other Interest Period in respect of a Term Facility Advance made under the same Term Facility shall end at the same time as that other Interest Period.

9.2 Duration

(a) The duration of each Interest Period shall, save as otherwise provided herein, be one, two, three or six months, in each case as the relevant Borrower (or the Company) may by not less than five Business Days' prior notice to the Agent select in a Selection Notice or such other period as the Instructing Group may agree, provided that:

(i) if such Borrower (or the Company) fails to give such notice of selection in relation to an Interest Period, the duration of that Interest Period shall, subject to the other provisions of this Clause 9, be three months;

(ii) prior to the Syndication Date, unless the Agent otherwise specifies, the duration of each Interest Period shall be one week, two weeks or one month (or, if less, such duration necessary to ensure that such Interest Period ends on the Syndication Date) or such longer period as may be agreed between the Company and the Mandated Lead Arrangers;

(iii) the Interest Period commencing on the Syndication Date shall be of such duration that it shall end on the tenth calendar day of the month following the month in which the Syndication Date occurred; and

(iv) any Interest Period that would otherwise end during the month preceding or extend beyond a Repayment Date relating to the relevant Term Outstandings shall be of such duration that it shall end on that Repayment Date; and

(v) an Additional Revolving Facility Advance shall have one Interest Period only.

(b) Each Interest Period for a C (Additional Senior Financing) Facility Advance shall have the same duration as the periods in respect of which interest (whether cash or in kind, as applicable) is payable in respect of the Refinancing Debt which funded that C (Additional Senior Financing) Facility Advance.

9.3 Consolidation of Term Facility Advances

If two or more Interest Periods in respect of Advances made to the same Borrower under the same Term Facility (and for these purposes an Extended Facility shall not be considered to be the same Term Facility as its corresponding Non-Extended Facility) end at the same time, then on the last day of those Interest Periods, the Term Facility Advances to which those Interest Periods relate shall be consolidated into and treated as a single Term Facility Advance.

9.4 Division of Term Facility Advances

(a) Subject to the requirements of Clause 9.2 (*Duration*) a Borrower may, by not less than five Business Days' prior notice to the Agent, direct that any Term Facility Advance borrowed by it shall, at the beginning of the next Interest Period relating thereto, be divided into (and thereafter, save as otherwise provided herein, be treated in all respects as) two or more Advances in such amounts (equal in aggregate to the amount of the Term Facility Advance being so divided) as shall be specified by such Borrower in such notice provided that (without prejudice to paragraph (b) below) no Borrower shall be entitled to make such a direction if:

(i) as a result of so doing, there would be outstanding more than the number of Advances under the relevant Facility permitted by Clause 4.1(g) (*Conditions to Utilisation*); or

(ii) any Term Facility Advance thereby coming into existence would have an amount of less than €5,000,000.

(b) As from the Fifth Amendment Agreement Effective Date, each Term Facility Advance (other than any C (Additional Senior Financing) Facility Advance) may be split into two Advances, one under the applicable Extended Facility and one under the applicable Facility which is not an Extended Facility.

9.5 Payment of Interest for Advances

(a) Subject to paragraph (b) below, on the last day of each Interest Period (or, if such day is not a Business Day, on the immediately succeeding Business Day), and if the relevant Interest Period exceeds six months, on the expiry of each six month period during that Interest Period, the Borrower to whom the relevant Advance was made shall pay accrued interest on the Term Facility Advance or Additional Revolving Facility Advance (as applicable) to which such Interest Period

relates, other than Rolled-up Interest in respect of which the Company has not elected to choose the cash pay option set out in paragraph (c) of Clause 9.9 (*Rolled-up Margin*).

(b) With effect from the 2011 Extension Effective Date, on the last day of each Interest Period in respect of a Term Facility Advance under an Extended Facility (or, if such day is not a Business Day, on the immediately succeeding Business Day), and if the relevant Interest Period exceeds six months, on the expiry of each six month period during that Interest Period, the Borrower to whom the relevant Term Facility Advance was made shall pay accrued interest on such Term Facility Advance (including any Rolled-up Interest accrued on such Term Facility Advance during the relevant Interest Period (or, in the case of the Interest Period then current when the 2011 Extension Effective Date occurs, the part of such Interest Period falling after the 2011 Extension Effective Date)).

9.6 Interest Rate for Advances

The rate of interest applicable to an Advance at any time during an Interest Period relating thereto shall be the rate per annum which is the sum of:

(a) the Applicable Margin;

(b) (in the case of a C (Additional Senior Financing) Facility Advance, only if so specified in the applicable C (Additional Senior Financing) Facility Commitment Letter, and other than in the case of an Additional Revolving Facility Advance) the Rolled-up Margin;

(c) (in the case of a C (Additional Senior Financing) Facility Advance, only if so specified in the applicable C (Additional Senior Financing) Facility Commitment Letter) the Mandatory Cost for such Advance at such time;

(d) (in respect of each Term Facility Advance under an Extended Facility only and with effect from the 2011 Extension Effective Date) the relevant Additional Cash Interest Rate (if any);

(e) (in the case of each Term Facility Advance under an Extended Facility only) 0.25 per cent. per annum, with effect from the date which is the earlier of:

(i) the date which is 8 months after the 2011 Extension Effective Date; and

(ii) 15 October 2012,

(but in the case of (i) and (ii) not in respect of any Interest Period which ended before such date, or in respect of the portion of the then current Interest Period which is before such date) provided that, on or before such date, (1) the 2011 Extension Effective Date has occurred, but (2) the relevant Borrowers have failed to make Additional B/C Facility Prepayments in an aggregate amount at least equal to (x) €350,000,000 less (y) the amounts prepaid in respect of Advances under the B Facility and the C Facility described in sub-paragraphs (d)(1) and (d)(2) of Clause 8.3 (*Proceeds of Senior Subordinated Notes and C (Additional Senior Financing) Facility Advances*); and

(f) (unless, in the case of a C (Additional Senior Financing) Facility Advance, a fixed rate basis for interest is specified in respect thereof in the applicable C (Additional Senior Financing) Facility Commitment Letter, in which case the fixed rate basis so specified shall apply to that Advance) EURIBOR for such Interest Period or, in the case of an Advance denominated in an Optional Currency, LIBOR for such Interest Period.

9.7 Margin Ratchet for A Facility Advances, B Facility Advances, C Facility Advances, Capital Investment Facility Advances and Additional Cash Interest Rate

(a) Subject to paragraph (f) of this Clause 9.7, if commencing on the Quarter Date in respect of the fourth full Financial Quarter after the Initial Closing Date, the ratio of Consolidated Total Net Borrowings to Annualised EBITDA on any Quarter Date is within the range of ratios set out in column 1 of the table set out below, then the Capital Investment Facility Margin and the A Facility Margin shall be reduced or increased to the percentage per annum set out opposite the relevant range in column 2.

Margin Ratchet Table

Column 1	Column 2
Greater than 6.5:1	2.125%
Less than or equal to 6.5:1 but greater than 6.0:1	1.875%
Less than or equal to 6.0:1 but greater than 5.5:1	1.625%
Less than or equal to 5.5:1 but greater than 5.0:1	1.375%
Less than or equal to 5.0:1 but greater than 4.5:1	1.125%
Less than or equal to 4.5:1	1.00%

In respect of each A Facility Advance and Capital Investment Facility Advance, each percentage rate set out in Column 2 above shall be increased by 0.25% per annum (e.g. from 2.125% to 2.375%) with effect from the first day of the Interest Period for that Advance commencing after the Fourth Amendment Agreement Effective Date.

(b) Subject to paragraph (f) of this Clause 9.7, if commencing on the Quarter Date in respect of the fourth full Financial Quarter after the Initial Closing Date, the ratio of Consolidated Total Net Borrowings to Annualised EBITDA on any Quarter Date is within the range of ratios set out in column 1 of the table set out below, then the B Facility Margin shall be reduced or increased to the percentage per annum set out opposite the relevant range in column 2.

Margin Ratchet Table

Column 1	Column 2
Greater than 6.0:1	2.50%
Less than or equal to 6.0:1 but greater than 5.5:1	2.25%
Less than or equal to 5.5:1 but greater than 5.0:1	2.00%
Less than or equal to 5.0:1	2.00%

In respect of each B Facility Advance, each percentage rate set out in Column 2 above shall be increased by 0.25% per annum (e.g. from 2.50% to 2.75%) with effect from the first day of the Interest Period for that Advance commencing after the Fourth Amendment Agreement Effective Date.

(c) Subject to paragraphs (f) and (g) of this Clause 9.7, if commencing on the Quarter Date in respect of the fourth full Financial Quarter after the Utilisation Date in respect of the C Facility, the ratio of Consolidated Total Net Borrowings to Annualised EBITDA on any Quarter Date is within the range of ratios set out in column 1 of the table set out below, then the C Facility Margin shall be reduced or increased to the percentage per annum set out opposite the relevant range in column 2.

Margin Ratchet Table

Column 1	Column 2
Greater than 5.0:1	2.75%
Less than or equal to 5.0:1	2.50%

In respect of each C Facility Advance, each percentage rate set out in Column 2 above shall be increased by 0.25% per annum (e.g. from 2.75% to 3.00%) with effect from the first day of the Interest Period for that Advance commencing after the Fourth Amendment Agreement Effective Date.

(d) Subject to paragraph (f) of this Clause 9.7, if the ratio of Consolidated Total Senior Net Borrowings to Annualised EBITDA on any Quarter Date falling after the occurrence of the 2011 Extension Effective Date (but not in respect of any Interest Period which ended before the 2011 Extension Effective Date or the portion of the then current Interest Period which is before the 2011 Extension Effective Date) is within the range of ratios set out in column 1 of the table set out below, then an additional cash interest rate (the "**Additional Cash Interest Rate**") equal to the percentage per annum set out opposite the relevant range in column 2 shall be payable by the relevant Borrower in relation to each Advance under each Extended Facility.

Margin Ratchet Table

Column 1	Column 2
Greater than 4.75:1	1.00%
Less than or equal to 4.75:1 but greater than 4.00:1	0.75%
Less than or equal to 4.00:1 but greater than 3.25:1	0.50%
Less than or equal to 3.25:1	0%

(e) Any reduction or increase to the Capital Investment Facility Margin, the A Facility Margin, the B Facility Margin, the C Facility Margin or the Additional Cash Interest Rate in accordance with paragraphs (a), (b), (c), (d), (g) or (h) of this Clause 9.7 shall be calculated five Business Days after receipt by the Agent for the relevant Quarter Date of (i) the annual audited financial statements of the Group in accordance with Clause 18.1 (*Financial Statements*) (in the case of a relevant Quarter Date ending on the last day of the Company's financial year) or quarterly financial statements of the Group in accordance with Clause 18.1 (*Financial Statements*) (in any other case) for such relevant Quarter Date and (ii) a Compliance Certificate in respect of such Quarter Date, and shall take effect at the end of the then current Interest Period and shall apply until the next adjustment date being the end of the then current Interest Period which is current on the day falling five Business Days after receipt by the Agent of the next following financial statements to be delivered in accordance with Clause 18.1 (*Financial Statements*) (or if such financial statements are not so delivered, the last day upon which such financial statements should have been so delivered in accordance with Clause 18.1 (*Financial Statements*)) and a Compliance Certificate for such period. If the annual audited financial statements of the Group delivered in accordance with Clause 18.1 (*Financial Statements*) subsequently show that an adjustment should or should not have been made, the Borrowers and the Lenders shall make appropriate adjusting payments (or in the case of payments to be made by Lenders, credits against future payments to be made to such Lenders) to put the Borrower and the Lenders in such position as they would have been in had such adjustment been or not been made.

(f) Upon the occurrence of any Event of Default, (i) the Capital Investment Facility Margin and the A Facility Margin shall revert to 2.375%, (ii) the B Facility Margin shall revert to 2.75%, (iii) the C Facility Margin shall revert to 3.00% (or, in the case of a C (Additional Senior Financing) Facility Advance, the highest level of margin specified in the margin ratchet table set out in the

relevant C (Additional Senior Financing) Facility Commitment Letter, or, if none, the margin specified in the relevant C (Additional Senior Financing) Facility Commitment Letter, if different to that applicable to the C (Acq) Facility and the C (Recap) Facility), (iv) the Additional Revolving Facility Margin shall revert to the highest level of margin specified in the margin ratchet table (if any) set out in the relevant Additional Revolving Facility Commitment Letter and (v) the Additional Cash Interest Rate shall revert to 1.00%, in each case so long as such Event of Default is continuing. If such Event of Default is waived or remedied, the Applicable Margin and the Additional Cash Interest Rate shall be calculated on the basis of the most recently delivered Compliance Certificate as from the date on which such Event of Default is waived or remedied.

(g) In respect of each C (Additional Senior Financing) Facility Advance, the Applicable Margin shall be that applicable to the C Facility Advances or, if so specified in the relevant C (Additional Senior Financing) Facility Commitment Letter, the margin per annum set out in such letter, as varied, if so specified, by the margin ratchet (based on the ratio of Consolidated Total Net Borrowings to Annualised EBITDA) set out in such letter.

(h) In respect of each Additional Revolving Facility Utilisation, the Applicable Margin shall be that specified in the relevant Additional Revolving Facility Commitment Letter, as varied, if so specified, based on the ratio of Consolidated Total Net Borrowings to Annualised EBITDA set out in such letter.

9.8 Taux Effectif Global

For the purposes of Articles L. 313-1 *et seq*, R. 313-1 and R. 313-2 of the French Consumer Code, the parties acknowledge that by virtue of certain characteristics of the Term Facilities (and in particular the variable interest rate applicable to each of the Advances), the *taux effectif global* cannot be calculated at the date of this Agreement. However, each of the Original Obligors which is incorporated in France acknowledges (and each Additional Borrower in France will acknowledge) that it has received from the Agent a TEG Letter containing an indicative calculation of the Effective Overall Rate for each Facility, based on figured examples calculated as assumptions as to the *taux de période* and *durée de période* set out in the TEG Letters. The parties acknowledge that the TEG Letters form part of this Agreement.

9.9 Rolled-up Margin

(a) Subject to paragraph (d) below, in respect of all Interest Periods commencing on or after the Fourth Amendment Agreement Effective Date, the Rolled-up Margin shall be 1.25% per annum. In respect of Interest Periods commencing before the Fourth Amendment Agreement Effective Date the Rolled-up Margin shall be 0.00% per annum.

(b) Subject to paragraph (c) below and except in relation to a Term Facility Advance under an Extended Facility where Rolled-up Interest is payable in cash in accordance with paragraph (b) of Clause 9.5 (*Payment of Interest for Advances*), Rolled-up Interest accrued during each Interest Period will be capitalised on the last day of the relevant Interest Period and be added to the principal amount of the relevant Advance, and shall thereafter accrue interest (including Rolled-up Interest) in accordance with Clause 9.6 (*Interest Rate for Advances*) and this Clause 9.9.

(c) The Company may, by notice to the Agent delivered not less than five Business Days before the end of an Interest Period, elect (for itself and/or on behalf of any other Borrower) that Rolled-up Interest accrued during that Interest Period in respect of the Advance to which that Interest Period relates shall be payable in cash, in which case such Rolled-up Interest will not be capitalised in accordance with the provisions of paragraph (b) above, but will instead be paid in cash by the relevant Borrower on the last day of the relevant Interest Period. Any such notice shall, once given, be irrevocable in respect of the Interest Period to which such notice relates.

(d) Subject to paragraph (f) below, if (and for so long as) the financial condition of the Group is such that Consolidated Total Net Borrowings for the period ending on any Quarter Date after the Fourth Amendment Agreement Effective Date is less than or equal to 4.25 times Annualised EBITDA for the period ended on such Quarter Date, the Rolled-up Margin shall be reduced to 0.75%, provided that if (and for so long as) Consolidated Total Net Borrowings subsequently increase to above 4.25 times Annualised EBITDA, the Rolled-up Margin shall revert to 1.25%.

(e) Any reduction or increase to the Rolled-up Margin in accordance with paragraph (d) above shall be calculated five Business Days after receipt by the Agent for the relevant Quarter Date of (i) the annual audited financial statements of the Group in accordance with Clause 18.1 (*Financial Statements*) (in the case of a relevant Quarter Date ending on the last day of the Company's financial year) or quarterly financial statements of the Group in accordance with Clause 18.1 (*Financial Statements*) (in any other case) for such relevant Quarter Date and (ii) a Compliance Certificate in respect of such Quarter Date, and shall take effect at the end of the then current Interest Period and shall apply until the next adjustment date being the end of the then current Interest Period which is current on the day falling five Business Days after receipt by the Agent of the next following financial statements to be delivered in accordance with Clause 18.1 (*Financial Statements*) and a Compliance Certificate for such period (or if such financial statements or a Compliance Certificate are not so delivered, the last day upon which such financial statements should have been so delivered in accordance with Clause 18.1 (*Financial Statements*)). If the annual audited financial statements of the Group delivered in accordance with Clause 18.1 (*Financial Statements*) subsequently show that an adjustment should or should not have been made, the Borrowers and the Lenders shall make appropriate adjusting payments (or in the case of payments to be made by Lenders, credits against future payments to be made to such Lenders) to put the Borrower and the Lenders in such position as they would have been in had such adjustment been or not been made.

(f) Upon the occurrence of any Event of Default, the Rolled-up Margin shall revert to 1.25% so long as such Event of Default is continuing. If such Event of Default is waived or remedied, the Rolled-up Margin shall be calculated on the basis of the most recently delivered Compliance Certificate as from the date on which such Event of Default is waived or remedied.

10. MARKET DISRUPTION AND ALTERNATIVE INTEREST RATES

10.1 Market Disruption

If, in relation to any Interest Period:

(a) EURIBOR (or, as applicable, LIBOR) is to be determined by reference to the Reference Banks and, at or about 11.00 am on the Quotation Date for such Interest Period, none or only one of the Reference Banks supplies a rate for the purpose of determining EURIBOR (or, as applicable, LIBOR) for the relevant period; or

(b) before the close of business in Paris on the Quotation Date for such Interest Period, the Agent has been notified by a Lender or each of a group of Lenders to whom in aggregate greater than 50 per cent. of the relevant Advance is owed (or, incoee the case of an undrawn Advance, if made, would be owed) that the cost to it of obtaining matching deposits for the relevant Advance in the Relevant Interbank Market would be in excess of EURIBOR (or, as applicable, LIBOR),

then, the Agent shall notify the Company and the Lenders of such event and, notwithstanding anything to the contrary in this Agreement, Clause 10.2 (*Substitute Interest Period and Interest Rate*) shall apply (if the relevant Advance is a Term Facility Advance which is already outstanding). If paragraph (a) applies to a proposed new Advance, such Advance shall not be made.

10.2 Substitute Interest Period and Interest Rate

(a) If paragraph (a) of Clause 10.1 (*Market Disruption*) applies, the duration of the relevant Interest Period shall be one month or, if less, such that it shall end on the next succeeding Repayment Date.

(b) If either paragraph of Clause 10.1 (*Market Disruption*) applies to an Advance, the rate of interest applicable to each Lender's portion of such Advance during the relevant Interest Period shall (subject to any agreement reached pursuant to Clause 10.3 (*Alternative Rate*)) be the rate per annum which is the sum of:

(i) the Applicable Margin together with any other rate of interest which is specified to accrue in respect of such Advance in accordance with paragraphs (b), (d) and/or (e) of Clause 9.6 (*Interest Rate for Advances*);

(ii) the rate per annum notified to the Agent by such Lender before the last day of such Interest Period to be that which expresses as a percentage rate per annum the cost to such Lender of funding from whatever sources it may select its portion of such Advance during such Interest Period; and

(iii) the Mandatory Cost, if any, applicable to such Lender's participation in the relevant Advance.

10.3 Alternative Rate

If:

(a) Clause 10.1 (*Market Disruption*) applies; or

(b) by reason of circumstances affecting the Relevant Interbank Market during any period of three consecutive Business Days, EURIBOR (or, as applicable, LIBOR) is not available to prime banks in the Relevant Interbank Market,

then, if the Agent or the Company so requires, the Agent and the Company shall enter into negotiations with a view to agreeing an alternative basis:

(a) for determining the rate of interest from time to time applicable to Advances; and/or

(b) upon which the Advances may be maintained (whether in euro or an Optional Currency) thereafter,

and any such alternative basis that is agreed shall take effect in accordance with its terms and be binding on each party hereto, provided that the Agent may not agree any such alternative basis without the prior consent of each Lender.

10.4 Application of this Clause

(a) Clauses 10.1 (*Market Disruption*) to 10.3 (*Alternative Rate*) shall not apply to any C (Additional Senior Financing) Facility Advance.

(b) If a C (Additional Senior Financing) Facility Lender notifies the Agent that a market disruption or other similar event has occurred under the Refinancing Debt Documents relating to a C (Additional Senior Financing) Facility Advance, interest on that C (Additional Senior Financing) Facility Advance will cease to be calculated in accordance with the interest rate notified under Clause 2.7(b) (*C (Additional Senior Financing) Facility*) in relation to that C (Additional Senior Financing) Facility Advance and will instead be calculated at the rate specified in the notice from the relevant C (Additional Senior Financing) Facility Lender (but only for so long as the relevant C (Additional Senior Financing) Facility Lender notifies that that rate is to apply).

11. COMMISSIONS AND FEES

11.1 Commitment Fees

(a) The Company shall pay to the Agent for the account of each Lender a commitment commission at the rate of (i) 0.40 per cent per annum on the aggregate amount of such Lender's Available Commitment in respect of the A (Recap) Facility, the B (Recap) Facility and the Second Lien (Recap) Facility from day to day during the period beginning on (but excluding) the date falling four weeks after the signing date of this Agreement and ending on the relevant Termination Date provided that no such fees are payable unless the Initial Closing Date occurs; (ii) 0.40 per cent. per annum on the aggregate amount of such Lender's Available Commitment in respect of the A (Acq) Facility, the B (Acq) Facility and the Second Lien (Acq) Facility from day to day during the period beginning on (but excluding) the date falling six weeks after the signing date of this Agreement to and including the Termination Date provided that no such fees are payable unless either the Acquisition Closing Date occurs or an Advance is made under any of these Facilities occurs; (iii) 0.40 per cent. per annum on the aggregate amount of such Lender's Available Commitment in respect of the C (Acq) Facility and the C (Recap) Facility from day to day during the period beginning on (but excluding) the 45th day after the Refinancing Consultation Final Date to and including the Utilisation Date in respect of the C (Recap) Facility and the C (Acq) Facility; (iv) 0.50 per cent per annum on the aggregate amount of such Lender's Available Commitment in respect of the Capital Investment Facility from day to day during the period beginning on (but excluding) the date falling four weeks after the signing date of this Agreement and ending on the relevant Termination Date provided that no such fees are payable unless the Initial Closing Date occurs.

(b) If so agreed in the relevant C (Additional Senior Financing) Facility Commitment Letter or Additional Revolving Facility Commitment Letter (as applicable), the Company shall pay to the Agent for the account of each Lender a commitment fee at the rate per annum specified in that C (Additional Senior Financing) Facility Commitment Letter or Additional Revolving Facility Commitment Letter (as applicable) on the aggregate amount of such Lender's Available Commitment in respect of the relevant tranche of the C (Additional Senior Financing) Facility or Additional Revolving Facility (as applicable) for the Availability Period specified therein.

(c) Such commission shall be payable in arrear on the last day of each successive period of three months which ends during such period and on the Termination Date for the relevant Facility, except for the first payment of such commission in respect of the A (Acq) Facility, the B (Acq) Facility and the Second Lien (Acq) Facility which may be made in respect of a longer period as stated above.

11.2 Arrangement and Underwriting Fee

(a) The Company shall pay to each of the Mandated Lead Arrangers the fees specified in the letter dated on or about the date hereof from the Mandated Lead Arrangers to the Company at the times and in the amounts specified in such letters.

(b) In addition, the Company shall pay to the C Facility Mandated Lead Arranger the fees specified in a letter dated on or about 26 January 2007 from the C Facility Mandated Lead Arranger to the Company at the times and in the amounts specified in such letter.

(c) The Company shall pay to each C (Additional Senior Financing) Facility Lender such arrangement and underwriting fees (if any) as shall be owed to it under the terms of any fee letter entered into with such Lender in respect of a C (Additional Senior Financing) Facility tranche.

(d) The Company shall pay to each Additional Revolving Facility Lender such arrangement and underwriting fees (if any) as shall be owed to it under the terms of any fee letter (or the relevant

Additional Revolving Facility Commitment Letter, as the case may be) entered into with such Lender in respect of the relevant Additional Revolving Facility Tranche.

11.3 Agency Fee

The Company shall pay to the Agent and Security Agent the fees specified in the agency fee letter dated on or about the date hereof from the Agent and Security Agent to the Company at the times and in the amounts specified in such letter.

11.4 Prepayment Fee

(a) The Company shall pay to the Agent (for the account of each Second Lien Facility Lender) a prepayment fee equal to the rate per annum specified opposite the relevant period after the Initial Closing Date set out in the following table on the principal amount of the Second Lien Facility prepaid on the date of prepayment:

Months after Initial Closing Date	%
Prior to the date falling 12 months after the Initial Closing Date	2%
On or after the date falling 12 months after the Initial Closing Date but prior to the date falling 24 months after the Initial Closing Date	1%

No prepayment fee shall be payable where:

(i) the prepayment is required as a result of it becoming unlawful for a Lender to maintain its participation in a Second Lien Facility Advance;

(ii) the prepayment is made pursuant to Clause 7.3 (*Right of Prepayment and cancellation in relation to a single Lender*);

(iii) the prepayment is due to a refinancing of the Facilities in full in which the relevant Second Lien Facility Lender participates as lender;

(iv) the prepayment occurs pursuant to Clause 15 (*Replacement of Lender*); or

(v) the prepayment is made out of the proceeds from a listing in accordance with Clause 8.2(d) (*Mandatory Prepayment from Receipts*) and Clause 8.5(c) (*Prepayments from Receipts and Excess Cash Flow; Order of Application*).

In the event that the prepayment is due to a refinancing of the Facilities, the Company shall send to the Agent a list of the Lenders which agree to waive their prepayment fee at the same time as it sends to the Agent its notice of prepayment of the Facilities. In this case, the Agent shall notify each such Lender that it shall be repaid without a prepayment fee and any Lender which does not contest within 1 Business Day shall not be entitled to a prepayment fee.

(b) Any C (Additional Senior Financing) Facility Commitment Letter may specify if prepayment fees are payable in respect of a C (Additional Senior Financing) Facility tranche, and on what terms and conditions such fee is payable.

11.5 Ancillary Facility, Issuing Bank and Letter of Credit fees

(a) The Company or the relevant Borrower shall pay to the relevant Ancillary Lender the Ancillary Facility fee(s), including the Ancillary Facility commitment fee(s), in the amount(s) and at the times agreed in the relevant Ancillary Facility Document.

(b) The Company or the relevant Borrower shall pay to each Issuing Bank the Issuing Bank fees in the amounts and at the times agreed with that Issuing Bank from time to time.

(c) The Company or each Borrower for whose account a Letter of Credit is issued shall pay to the Agent (for the account of each Additional Revolving Facility Lender under the relevant Additional Revolving Facility Tranche) a Letter of Credit fee in the Base Currency on the outstanding amount of each Letter of Credit requested by it for the period from the issue of that Letter of Credit until the expiry date thereof. The Letter of Credit fee shall be computed at the rate equal to the applicable Margin for the relevant Additional Revolving Facility Tranche (unless another rate is specified in the relevant Additional Revolving Facility Commitment Letter) except to the extent that cash cover has been provided by an Obligor in respect of the amount of such Letter of Credit, in which case (to the extent of such cash covered amount) no Letter of Credit fee shall be payable (unless otherwise specified in the relevant Additional Revolving Facility Commitment Letter). Any such fee shall be distributed according to each relevant Additional Revolving Facility Lender's L/C Proportion of that Letter of Credit. Unless otherwise specified in the relevant Additional Revolving Facility Commitment Letter, such fees shall be payable on the last day of each successive period of three months (or such shorter period as shall end on the expiry date for that Letter of Credit) starting on the date of issue of that Letter of Credit.

11.6 C (Additional Senior Financing) Facility Amounts

(a) Notwithstanding anything to the contrary in this Agreement but subject to the other provisions of this Clause 11.6, unless otherwise specified in the relevant C (Additional Senior Financing) Facility Commitment Letter (and in each case subject to the relevant C (Additional Senior Financing) Facility Lender having provided the Company with any period of notice contemplated in the C (Additional Senior Financing) Facility Commitment Letter relating to the relevant C (Additional Senior Financing) Facility tranche (or, if no period is specified, a reasonable period), or such shorter period of notice as the Company may agree):

(i) if, pursuant to any Refinancing Debt Document, any principal amount (the "**Outstanding Amount**") of the corresponding Refinancing Debt becomes due and payable or subject to repurchase or redemption (including, to the extent permitted under Clause 7.1 (*Voluntary Prepayment*), pursuant to an optional redemption) prior to the originally scheduled maturity (but other than by reason of acceleration of the relevant Refinancing Debt) an amount of principal of the corresponding C (Additional Senior Financing) Facility Advance equal to the Outstanding Amount will be due and payable by the Company (unless the Company has already made, or is to make, payment of such amount pursuant to another obligation (whether pursuant to a voluntary prepayment or otherwise) under this Agreement);

(ii) if as a result of any Refinancing Debt becoming due and payable (or subject to repurchase or redemption) prior to its originally scheduled maturity in accordance with the terms of the applicable Refinancing Debt Documents (including as a consequence of any voluntary prepayment by a Borrower pursuant to Clause 7 (*Voluntary Prepayment*) but other than by reason of acceleration of that Refinancing Debt) any prepayment fee, make-whole, call protection or premium payment or other similar amount (a "**C (Additional Senior Financing) Facility Prepayment Fee"**) will become payable by a C (Additional Senior Financing) Facility Lender to any Refinancing Creditors in respect of that Refinancing Debt, the Company will procure that an amount equal to that C (Additional Senior Financing) Facility Prepayment Fee is paid to that C (Additional Senior Financing) Facility Lender on or prior to the date on which the C (Additional Senior Financing) Facility Prepayment Fee is required to be paid under the applicable Refinancing Debt Documents;

(iii) if any Directing Representative Amount is payable by a C (Additional Senior Financing) Facility Lender under or in connection with any Refinancing Debt Document, the Company will procure that an amount equal to that Directing Representative Amount is paid to that C (Additional Senior Financing) Facility Lender on or prior to the date on which the

Directing Representative Amount is required to be paid under the applicable Refinancing Debt Documents. For this purpose, "**Directing Representative Amount**" means any fees, costs and expenses of the relevant Refinancing Directing Representative (for the avoidance of doubt, including any amount payable to the Refinancing Directing Representative personally by way of indemnity or remuneration or to reimburse it for expenses incurred) payable to the Refinancing Directing Representative for its own account pursuant to or in connection with the Refinancing Debt Documents, including all costs and expenses incurred by the Refinancing Directing Representative in carrying out its duties or performing any service pursuant to the terms of any Refinancing Debt Documents;

(iv) if a C (Additional Senior Financing) Facility Lender is required to pay any amount (other than principal or interest and other than as a result of acceleration) under any Refinancing Debt Document (a "**Refinancing Debt Additional Amount**") and the Group is not subject to a corresponding payment obligation to that C (Additional Senior Financing) Facility Lender under the Finance Documents, the Company will procure that an amount equal to that Refinancing Debt Additional Amount is paid to that C (Additional Senior Financing) Facility Lender on or prior to the date on which the Refinancing Debt Additional Amount is required to be paid under the applicable Refinancing Debt Documents; and

(v) if there is a conflict between the terms of this Agreement and a C (Additional Senior Financing) Facility Commitment Letter in respect of payments to be made by a member of the Group in relation to the C (Additional Senior Financing) Facility tranche committed by that C (Additional Senior Financing) Facility Commitment Letter (such that this Agreement provides for payment to be made by a member of the Group in circumstances where the C (Additional Senior Financing) Facility Commitment Letter provides that no payment shall become due), the terms of the C (Additional Senior Financing) Facility Commitment Letter will prevail.

(b) Notwithstanding any other provision of this Agreement, if any amount (a "**Contingent Amount**") is expressed to be payable under this Agreement to a C (Additional Senior Financing) Facility Lender by reference to an amount (an "**Underlying Amount**") due under the corresponding Refinancing Debt Documents (or other document evidencing Refinancing Debt), the Contingent Amount will only be payable to the extent that the provision pursuant to which the Underlying Amount is payable under the Refinancing Debt Documents (or other document evidencing Refinancing Debt) is not in breach of the Refinancing Debt Major Terms.

(c) In the event that any member of the Group is required to pay any amount to a C (Additional Senior Financing) Facility Lender as a direct or indirect consequence of any amount becoming due or payable in respect of any Refinancing Debt (or otherwise by reference to a Refinancing Debt Document), the relevant C (Additional Senior Financing) Facility Lender shall, prior to the applicable payment date, provide the Agent and the Company with reasonable details of the amount payable (including the calculation thereof) and such other information in relation to that payment as the Agent or the Company may reasonably request.

12. TAXES

12.1 Tax Gross-up

(a) Each Obligor shall make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by Law.

(b) The Company or the relevant Obligor shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. A Finance Party shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.

(c) If a Tax Deduction is required by Law to be made by an Obligor (or, as the case may be, by the Agent or the Security Agent) on any payment due to a Protected Party under the Finance Documents, the amount of the payment due from that Obligor shall (subject to paragraph (d) of this Clause 12.1) be increased by an amount (the "**Additional Amount**") which (after making the required Tax Deduction) leaves the Protected Party with an aggregate net payment equal to the full payment which would have been received by it if no such Tax Deduction had been required.

(d) An Obligor will not be required to increase its payment by the Additional Amount referred to in paragraph (c) above if on the date on which the payment falls due:

(i) the Obligor making the payment is able to demonstrate that the payment could have been made to the Protected Party without the Tax Deduction had that Protected Party complied with its obligations under paragraph (g) below; or

(ii) the Tax Deduction would not have arisen if the relevant Protected Party had been a Qualifying Finance Party but on that date that Protected Party is not or has ceased to be a Qualifying Finance Party (unless the reason it is not or no longer a Qualifying Finance Party is the introduction of, or change in, any Law or regulation, or a change in the interpretation or application of any Law or regulation or in any practice or concession of the relevant tax authorities, in each case occurring after the date on which the relevant Finance Party became a party to this Agreement),

provided that, in respect of a Utilisation under an Additional Revolving Facility Tranche, a C (Additional Senior Financing) Facility tranche or, with effect from the 2011 Extension Effective Date, an Extended Facility only, the exclusion for changes after the date a Lender became a Lender under this Agreement in paragraph (d)(ii) above shall not apply in respect of any Tax Deduction on account of Tax imposed by France on a payment made to a Protected Party if such Tax Deduction is imposed solely because this payment is made to an account opened in the name of or for the benefit of that Protected Party in a financial institution situated in a Non-Cooperative Jurisdiction.

(e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction to the relevant taxing authority within the time allowed and in the minimum amount required by Law.

(f) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction or other payment shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction or (as applicable) any appropriate payment has been made to the relevant tax authority.

(g) A Qualifying Finance Party and each Obligor which makes a payment to which that Qualifying Finance Party is entitled shall cooperate in completing any procedural formalities which might reasonably be considered to be necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction or with reduced deduction or withholding.

(h) In the event that the payment by an Obligor of the Additional Amount referred to in (c) above is contrary to applicable Laws and the Obligor is thus not able to pay such Additional Amount, such Obligor shall prepay, at the request of the Agent (at the request of the relevant Lender), that portion of the Utilisations maintained by the Lender affected by the Tax Deduction (and if only certain Utilisations maintained by such Lender are affected, only the Utilisations so affected) together with all other amounts due by such Obligor to the Lender in relation to the Utilisations so repaid.

(i) Each Lender which becomes a Lender after the Fifth Amendment Agreement Effective Date shall also specify in the Transfer Certificate which it executes upon becoming a Lender, whether it is incorporated, domiciled or acting through a Facility Office situated in a Non-Cooperative Jurisdiction.

12.2 Tax Indemnity

(a) Subject to paragraph (b) of this Clause 12.2 and Clause 16 (*Mitigation*), the Company and/or the Parent shall (within 3 Business Days of demand by the Agent) pay (or procure that the relevant Obligor pays) to a Protected Party an amount equal to the Tax Liability which that Protected Party determines will arise or has arisen (directly or indirectly) in connection with any Finance Document, following provision by the relevant Protected Party to the Parent (or the relevant Obligor) of reasonably supporting evidence of that Tax Liability.

(b) Paragraph (a) of this Clause shall not apply:

(i) with respect to any Tax Liability of a Protected Party in respect of Tax on Overall Net Income of that Protected Party; or

(ii) to the extent paragraph (c) of Clause 12.1 (*Tax Gross-up*) applies with respect to that Tax Liability or would apply but for the application of paragraph (d) of Clause 12.1 (*Tax Gross-up*).

(c) A Protected Party making, or intending to make, a claim pursuant to paragraph (a) of this Clause shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company and/or the Parent.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause, notify the Agent.

(e) In this Clause 12.2:

"**Tax Liability**" means, in respect of any Protected Party:

(i) any liability or any increase in the liability of that person to make any payment of or in respect of tax;

(ii) any loss of any relief, allowance, deduction or credit in respect of tax which would otherwise have been available to that person;

(iii) any setting off against income, profits or gains or against any tax liability of any relief, allowance, deduction or credit in respect of tax which would otherwise have been available to that person; and

(iv) any loss or setting off against any tax liability of a right to repayment of tax which would otherwise have been available to that person.

For this purpose, any question of whether or not any relief, allowance, deduction, credit or right to repayment of tax has been lost or set off in relation to any person, and if so, the date on which that loss or set-off took place, shall be conclusively determined by that person and such determination shall be binding on the relevant parties to this Agreement.

"**Tax on Overall Net Income**" means, in relation to a Protected Party, tax (other than tax deducted or withheld from any payment) imposed on the net income of that Protected Party by the jurisdiction in which the relevant Finance Party's Facility Office or head office is situated or the jurisdiction in which it is organized or has its tax residency.

12.3 Tax Credit

(a) If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(i) a Tax Credit is attributable to that Tax Payment; and

(ii) that Finance Party has obtained, utilised and retained that Tax Credit on an affiliated Group basis,

the Finance Party shall (subject to paragraph (b) below and to the extent that that Finance Party can do so without prejudicing the amount of the Tax Credit and the right of that Finance Party to obtain any other benefit, relief or allowance which may be available to it) pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-tax position as it would have been in had the Tax Payment not been made by the Obligor.

(b)

(i) Each Finance Party shall have an absolute discretion as to the time at which and the order and manner in which it realises or utilises any Tax Credit and shall not be obliged to arrange its business or its tax affairs in any particular way in order to be eligible for any credit or refund or similar benefit.

(ii) If a Finance Party has made a payment to an Obligor pursuant to this Clause 12.3 on account of any Tax Credit and it subsequently transpires that that Finance Party did not receive that Tax Credit, that Obligor shall, on demand of that Finance Party within a reasonable time following the event causing such Tax Credit not being available to that Finance Party (and following receipt by that Obligor of reasonably supporting evidence thereof), pay to that Finance Party such sum as that Finance Party may determine as being necessary to restore its after-tax position to that which it would have been had no adjustment under this Clause 12.3(b) been made, but such sum should not exceed the amount that the Finance Party has paid to the Obligor.

(c) No Finance Party shall be obliged to make any payment under this Clause 12.3 if, by doing so, it would contravene the terms of any applicable Law or any notice, direction or requirement of any governmental or regulatory authority (whether or not having the force of law but if not having the force of law with which it is customary for Finance Parties to comply).

(d) Without prejudice to Clauses 12.1(g), 12.2(a) and 12.3(b)(ii), no provision of this Clause 12 or any requirement of a Finance Party hereunder shall oblige any Finance Party to disclose any information regarding its business, tax affairs or tax computations.

12.4 Application of this Clause

(a) This Clause 12 shall not apply to any C (Additional Senior Financing) Facility tranche (or the Lender(s) thereof) to the extent that the C (Additional Senior Financing) Facility Commitment Letter relating thereto specifies that it shall not so apply.

(b) If a tax gross up or other similar payment is required to be made by a C (Additional Senior Financing) Facility Lender under any Refinancing Debt Documents used to fund a C (Additional Senior Financing) Facility tranche (for the purposes of this Clause 12.4(b) only, a "**Tax Payment**"), the Company shall pay (or procure that another member of the Group pays) to the relevant C (Additional Senior Financing) Facility Lender an amount equal to the amount required (after taking into account any tax related deductions) to make such Tax Payment on or prior to the date on which the Tax Payment is required to be applied under the applicable Refinancing Debt Documents (subject to the relevant C (Additional Senior Financing) Facility Lender having provided the Company with any period of notice contemplated in the C (Additional Senior

Financing) Facility Commitment Letter relating to the relevant C (Additional Senior Financing) Facility tranche, or such shorter period of notice as the Company may agree).

13. INCREASED COSTS

13.1 Increased Costs

Subject to Clause 13.3 (*Exceptions*) the Company shall, within five Business Days of a demand by the Agent, pay (or ensure that the relevant Borrowers pay) for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result (direct or indirect) of:

(a) the introduction or implementation of or any change in (or in the interpretation or application of) any Law, regulation, practice or concession or any directive, requirement, request or guidance (whether or not having the force of Law) of any central bank, including the European Central Bank, the Financial Services Authority or any other fiscal, monetary, regulatory or other authority;

(b) compliance with any Law, regulation, practice, concession or any such directive, requirement, request or guidance made after the date of this Agreement; or

(c) the implementation of economic or monetary union by the European Union or any Participating Member State.

13.2 Increased Cost Claims

(a) A Finance Party intending to make a claim pursuant to Clause 13.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

13.3 Exceptions

(a) Clause 13.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by Law to be made by an Obligor;

(ii) compensated for by Clause 12.2 (*Tax Indemnity*) (or would have been compensated for by Clause 12.2 (*Tax Indemnity*) but was not so compensated solely because Clause 12.2 (b) (*Tax Indemnity*) applied);

(iii) compensated for by the payment of the Mandatory Cost; or

(iv) attributable to the breach by the relevant Finance Party or any of its Affiliates of any Law or regulation.

(b) Clause 13.1 (*Increased Costs*) shall not apply to any C (Additional Senior Financing) Facility tranche (or the Lender(s) thereof) to the extent that the C (Additional Senior Financing) Facility Commitment Letter relating thereto specifies that it shall not so apply.

13.4 Other Indemnities

(a) The Company shall (or shall procure that an Obligor will), within five Business Days of demand, indemnify the Arrangers and each other Finance Party against any cost, loss or liability incurred by it as a result of:

(i) the occurrence of any Event of Default;

(ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 30 (*Sharing among the Lenders*);

(iii) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(iv) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company or as required by this Agreement.

(b) The Company shall promptly indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate, against any cost, loss or liability incurred by that Finance Party or its Affiliate (or officer or employee of that Finance Party or Affiliate) in connection with or arising out of the Transaction or the funding of the Transaction (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the Transaction), unless such loss or liability is caused by the gross negligence or wilful misconduct of that Finance Party or its Affiliate (or employee or officer of that Finance Party or Affiliate). Any Affiliate or any officer or employee of a Finance Party or its Affiliate may rely on this Clause 13.4 subject to Clause 39 (*Third Party Rights*) and the provisions of the Third Parties Act.

13.5 Indemnity to the Agent

The Company shall (or shall procure that an Obligor will) promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a Default; or

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

13.6 Indemnity to the Security Agent

(a) Each Obligor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

(i) the taking, holding, protection or enforcement of the Security Documents;

(ii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law; and

(iii) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents.

(b) The Security Agent may, in priority to any payment to the other Finance Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 13.6 and shall have a lien over the Security constituted by the Finance Documents and the proceeds of the enforcement of such Security for all monies payable to it.

14. ILLEGALITY

(a) If it becomes unlawful in any relevant jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Utilisation:

(i) that Lender shall promptly notify the Company upon becoming aware of that event;

(ii) upon the Agent notifying the Company, the Available Commitments of that Lender will immediately be cancelled and its Commitments reduced to zero and such Lender shall not thereafter be obliged to participate in any Utilisation; and

(iii) each Borrower shall repay that Lender's participation in the Utilisations made to that Borrower on the last day of the current Interest Period for each Utilisation occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent and notified by the Lender to the Company (being no earlier than the last day of any applicable grace period permitted by Law).

(b) If it becomes unlawful in any applicable jurisdiction for an Ancillary Lender to perform any of its obligations as contemplated by this Agreement or any Ancillary Facility Document or to fund or maintain its participation in any utilisation under any Ancillary Facility:

(i) that Ancillary Lender shall promptly notify the Agent upon becoming aware of that event;

(ii) upon the Agent notifying the Company:

(i) the Ancillary Commitment of that Ancillary Lender will be immediately cancelled; and

(ii) each Borrower shall use its best endeavours to procure the release of any outstanding letter of credit, guarantee or other instrument issued by that Ancillary Lender in respect of that Borrower under each Ancillary Facility made available by that Ancillary Lender and repay all amounts, if any, payable under each such Ancillary Facility on the earlier of the next date on which any payment or repayment is due under such Ancillary Facility occurring after the Agent has notified the Company or the date specified by the Ancillary Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and the sub-section entitled "Terms of Ancillary Facilities" of Clause 2.11 (*Ancillary Facilities*) shall apply.

(c) Any C (Additional Senior Financing) Facility Commitment Letter may specify that this Clause 14 will not apply or will partially apply to the corresponding C (Additional Senior Financing) Facility.

15. REPLACEMENT OF LENDER

(a) If at any time:

(i) any Obligor becomes obliged to pay additional amounts described in Clause 12 (*Taxes*) or Clause 13 (*Increased Costs*) to any Lender in excess of those generally charged by the other Lenders;

(ii) any Lender does not agree to a consent, waiver or amendment to the Finance Documents requiring either unanimous consent or the consent of Lenders whose Commitments amount in aggregate to more than 85 per cent. of the aggregate amount of all Commitments or to whom in aggregate more than 85 per cent. of the outstandings are owed and which the Company or the Agent has requested and has otherwise been agreed to by the Instructing Group;

(iii) any Lender becomes insolvent or its assets become subject to a receiver, liquidator, trustee, custodian or other person having similar powers or any winding-up, dissolution or administration; or

(iv) any Lender fails to make or participate in any Utilisation or to issue or has given notice to a Borrower or the Agent that it does not intend to make or participate in any Utilisation in accordance with the requirements of this Agreement or has repudiated its obligations to do so (a "**Non-Funding Lender**");

then the Company, or the relevant Borrower, may on five Business Days' prior written notice to the Agent and such Lender either:

(A) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 32 (*Assignments and Transfers*) all of its rights and obligations under this Agreement to a Lender or another bank or financial institution selected by the Company which confirms its willingness to assume and does assume all the obligations of the transferring Lender (including the assumption of the transferring Lender's participation on the same basis as the transferring Lender) for a purchase price equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and fees and other amounts payable to that Lender hereunder; or

(B) on the last day of each of the then current Interest Periods repay such Lender's portion of each Utilisation to which such Interest Periods relate.

(b) The replacement or repayment, as applicable, of a Lender pursuant to paragraph (a) of this Clause 15 shall be subject to the following conditions:

(i) neither the Lender which is the Agent nor the Security Agent may be replaced;

(ii) neither the Agent nor any Lender shall have any obligation to the Group to find a replacement Lender or other such entity;

(iii) such replacement or repayment must take place no later than 180 days after the date the relevant Lender:

(A) notified the Company and the Agent of its failure to agree to any requested consent, waiver or amendment to the Finance Documents; or

(B) has demanded payment of additional amounts under Clause 12 (*Taxes*) or Clause 13 (*Increased Costs*), as the case may be; or

(C) became insolvent or became a Non-Funding Lender;

provided that, if the Company intends to replace or repay a Lender pursuant to Clause 15(a)(ii) above it must, within 30 days of the occurrence of the events described in Clause 15(a)(ii) above, notify the Lender of its intention to replace or repay it under this Clause;

(iv) in no event shall the Lender hereby replaced, be required to pay or surrender to such replacement Lender or other entity any of the fees received by such Lender hereby replaced pursuant to this Agreement;

(v) to the extent that the replacement or repayment of a Lender results from any Obligor becoming obliged to pay additional amounts pursuant to Clause 12 (*Taxes*) or Clause 13 (*Increased Costs*) the Obligor shall pay such additional amounts to such Lender prior to such Lender being replaced or repaid and the payment of such additional amounts shall be a condition to the replacement of such Lender;

(vi) the Company's right to replace or repay a Non-Funding Lender pursuant to paragraph (a) of this Clause 15 is, and shall be, in addition to, and not in lieu of, all other rights and remedies available to the Company against such Non-Funding Lender under this Agreement, at Law, in equity, or by statute;

(vii) a Lender for whose account a repayment is to be made under paragraph (a) of this Clause 15 shall not be obliged to participate in the making of Utilisations on or after the date upon which the Agent and such Lender receives the relevant notice of intention to repay such Lender's share of the Outstandings, on which date all of such Lender's Available Commitments shall be cancelled and all of its Commitments shall be reduced to zero; and

(viii) Clauses 7.5 (*Notice of Repayment*) and 7.6 (*Restrictions on Repayment*) shall apply equally to repayments made pursuant to this Clause 15.

16. MITIGATION

16.1 Mitigation

(a) Subject to Clause 16.2(b), each Finance Party shall, if requested by and in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 12 (*Taxes*), Clause 13 (*Increased Costs*) or Clause 14 (*Illegality*) or in any amount payable under a C (Additional Senior Financing) Facility Tranche, an Extended Facility (with effect from the 2011 Extension Effective Date) or an Additional Revolving Facility Tranche by a French Borrower becoming not deductible from that Borrower's taxable income for French tax purposes by reason of that amount being (i) paid or accrued to a Finance Party incorporated, domiciled, established or acting through a Facility Office situated in a Non-Cooperative Jurisdiction or (ii) paid to an account opened in the name of or for the benefit of that Finance Party in a financial institution situated in a Non-Cooperative Jurisdiction including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) of this Clause does not in any way limit the obligations of any Obligor under the Finance Documents.

16.2 Limitation of Liability

(a) The Company shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 16.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 16.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might in any way be prejudicial to it.

17. REPRESENTATIONS AND WARRANTIES

The Company and each other Obligor, both in respect of itself and each of its Subsidiaries (unless otherwise provided hereafter) makes the representations and warranties set out in this Clause 17 to each Finance Party on any date specifically stated in this Clause 17 or, if no date is specified, on the date of this Agreement (other than, in respect of Clause 17.16 (*Information Package*) to the extent such representation and warranty relates to the Information Memorandum which representation and warranty in respect of the Information Memorandum shall instead be made on the date of the Information Package), on the Initial Closing Date and the Acquisition Closing Date, and thereafter in accordance with Clause 17.27 (*Repetition*).

All or some of these representations and warranties may be disapplied in respect of a C (Additional Senior Financing) Facility tranche if so specified in the relevant C (Additional Senior Financing) Facility Commitment Letter or Covenant Agreement.

17.1 Incorporation

It, and each of its Subsidiaries, is duly incorporated (or, as the case may be, organised) and validly existing with limited liability under the laws of the place of its incorporation (or, as the case may be, organisation) and has the power to own its assets and carry on its business in all material respects as it is now being conducted.

17.2 Power

It has power to enter into, exercise its rights under, and perform and comply with its obligations under, each of the Transaction Documents to which it is party and to carry out the transactions contemplated by such Transaction Documents.

17.3 Authority

All actions, conditions and things required to be taken, fulfilled and done by it in order:

(a) to enable it lawfully to enter into, exercise its rights under, and perform and comply with its obligations under, the Transaction Documents to which it is party and to carry out the transactions contemplated by such Transaction Documents; and

(b) to ensure that those obligations are valid, legally binding and, subject to Reservations, enforceable in accordance with their terms; and

(c) (subject to the Reservations) to make each of the Transaction Documents to which it is party admissible in evidence in the courts of the jurisdiction to which it has submitted in such Transaction Document; and

(d) to create the security constituted by the Security Documents to which it is party and, subject to the Reservations, to ensure that such security has the ranking specified therein,

have (subject as provided in Clause 17.4 (*Consents and Filings*) in relation to the security constituted by the Security Documents) been taken, fulfilled and done.

17.4 Consents and Filings

All consents and filings required:

(a) for its lawful entry into, exercise of its rights under, and performance and compliance with its obligations under, each of the Transaction Documents to which it is party; and

(b) for it to carry out the transactions contemplated by the Transaction Documents,

have been obtained or made and are in full force and effect (save for (i) any consents or filings required in relation to the security constituted by the Security Documents which filings or registrations will be made, or consents will be obtained, promptly after execution of the relevant documents and in any event within applicable time limits (other than filings or registrations to be made by or on behalf of the Security Agent) and (ii) in respect of Transaction Documents other than the Security Documents where failure to do so would not reasonably be expected to have a Material Adverse Effect).

17.5 Non-Conflict

Its entry into, exercise of its rights under and performance and compliance with its obligations under each of the Transaction Documents to which it is party and the carrying out of the transactions contemplated by such Transaction Documents do not and will not:

(a) contravene any Law, regulation, directive, judgment or order to which it or any of its Subsidiaries is subject in any material respect;

(b) contravene its memorandum or articles of association or other constitutional documents;

(c) breach, to an extent which is reasonably likely to have a Material Adverse Effect, any material agreement, mortgage, bond or other instrument or treaty or the terms of any consent which is binding upon it or any of its Subsidiaries or any of its or their respective assets other than, by reason of execution of the Acquisition Agreement, the agreements relating to the Existing Facilities.

17.6 Obligations Binding

Its obligations under the Transaction Documents to which it is a party are valid, legally binding and, subject to the Reservations, enforceable in accordance with their terms and each of the Security Documents to which it is party constitute valid security ranking, subject to the Reservations and subject as provided in Clause 17.4 (*Consents and Filings*) in relation to the security constituted by the Security Documents, in accordance with the terms of such documents and no limit on its powers will be exceeded as a result of the borrowings or other utilisation, grant of security or giving of guarantees contemplated by such Transaction Documents or the performance by it of any of its obligations thereunder.

17.7 Winding-up

Neither the Company, any Obligor or any other Material Subsidiary has taken any corporate action nor have any other steps been taken by the Company, any Obligor or any other Material Subsidiary or any third party or legal proceedings been started or (to the best of its knowledge and belief) threatened against the Company, any Obligor or any other Material Subsidiary, for:

(a) its winding-up, dissolution, administration or other similar proceedings (including any *procédure collective*, *procédure de sauvegard*e, *procédure de redressement* (including by way of *plan de cession* or *plan de continuation*) or *liquidation judiciaire*);

(b) a suspension of payment (including a *cessation des paiements*) or moratorium (*sursis de paiement*) of any Indebtedness with all of its creditors generally or a *procédure de réglement amiable* or a *procedure de conciliation*;

(c) the appointment of a receiver, administrator, administrative receiver, conservator, custodian, trustee, *mandataire ad hoc*, *conciliateur*, *administrateur judiciaire*, *liquidateur* or similar officer of it or of any or all of its assets or revenues; or

(d) similar or analogous proceedings in any other jurisdiction,

other than pursuant to a Permitted Restructuring.

17.8 No Event of Default

(a) No Event of Default is continuing or is reasonably likely to result from the making of any Utilisation;

(b) No event or circumstance is outstanding or has occurred which constitutes a default (other than a default by the Vendor) under any Transaction Documents and which could reasonably be expected to be materially adverse to the interests of the Finance Parties;

(c) No other event or circumstance is outstanding or has occurred which constitutes a default under any agreement or instrument (other than any Transaction Document) which is binding on it or any of its Subsidiaries or to which its (or its Subsidiaries') assets are subject and which in any such case is reasonably likely to have a Material Adverse Effect.

17.9 Litigation

No litigation, arbitration, administrative, regulatory or similar proceeding is current, or has been notified to it that the same is pending or will be brought or raised or, to its best knowledge, is threatened which is reasonably likely to be adversely determined against it and which, if so determined, would have a Material Adverse Effect.

17.10 No Encumbrances/Guarantees/Indebtedness

(a) No Encumbrances (or agreement to create the same) exist on or over its or any of its Subsidiaries' present or future revenues or assets except for Permitted Encumbrances (as defined in Clause 21.5 (*Negative Pledge*));

(b) neither it nor any of its Subsidiaries has granted or agreed to grant any guarantee except as permitted by Clause 21.8 (*Guarantees and Indemnities*); and

(c) neither it nor any of its Subsidiaries has outstanding any Financial Indebtedness except for Permitted Indebtedness (as defined in Clause 21.7 (*Indebtedness*)).

17.11 Assets

Save to the extent disposed of without breaching the terms of any of the Finance Documents, with effect from and after the Initial Closing Date, it and each of its Subsidiaries has good title to or valid leases or licenses of or is otherwise entitled to use or permit other members of the Group to use all material assets necessary to conduct the business of the Group taken as a whole as it is conducted at the Initial Closing Date.

17.12 Consents, filings, authorisations and Laws applicable to operations

(a) All material consents, filings and authorisations have been obtained or effected which are necessary for the carrying on of the business of the Group and all such consents, filings and authorisations are in full force and effect and there are no circumstances known to it which indicate that any such consents, filings and authorisations are likely to be revoked or varied in whole or in part, save in each case to the extent that absence of any such consents, filings and authorisations or revocation or variation of any such consents, filings or authorisations does not and is not reasonably likely to have a Material Adverse Effect.

(b) It and each of its Subsidiaries is in compliance in all material respects with all Laws and directives applicable to it in its jurisdiction of incorporation or organisation or jurisdictions in which it operates.

17.13 Accounts

(a) The audited consolidated financial statements (together with the notes thereto) most recently delivered pursuant to Clause 18.1 (*Financial Statements*):

(i) fairly present the consolidated financial position of the Group as at the date to which they were prepared and for the financial year then ended;

(ii) were prepared in accordance with Applicable Accounting Principles; and

(iii) take account of all material liabilities (contingent or otherwise) of the Group at that date.

(b) The quarterly consolidated management accounts and the Statistics Report most recently delivered pursuant to Clause 18.1 (*Financial Statements*):

(i) reasonably represent the consolidated financial position of the Group as at the date to which they were prepared and for the quarter or month then ended (as the case may be); and

(ii) were prepared on a basis consistent with past practice.

(c) The unaudited consolidated financial statements of the Company for the financial year ending 31 December 2006 prepared by the Company delivered pursuant to paragraph 6(b) of Part VII A of Schedule 3 (*Conditions Precedent*):

(i) fairly present the consolidated financial position of the Group as at the date to which they were prepared and for the financial year then ended;

(ii) were prepared in accordance with Applicable Accounting Principles; and

(iii) take account of all material liabilities (contingent or otherwise) of the Group at that date.

17.14 Tax and Social Security Liabilities

(a) No claims are being, or so far as it is aware are reasonably likely to be, asserted against it or any of its Subsidiaries with respect to unpaid or overdue taxes which are reasonably likely to be determined adversely to it or to such Subsidiary and which, if so adversely determined, could result in potential liabilities in excess of €5,000,000 (or its equivalent in other currencies), and all reports and returns on which such taxes are required to be shown have been filed within any applicable time limits before material penalties are incurred or extended as permitted and all taxes required to be paid have been paid within any applicable time limit before material penalties are incurred or have been lawfully withheld and are being contested in good faith and are appropriately reserved for in its accounts or the relevant Subsidiary's accounts in accordance with the Applicable Accounting Principles.

(b) It:

(i) has paid all social security contributions and other labour related contributions imposed upon it or its assets within the time period allowed therefore without incurring penalties or creating any Encumbrances;

(ii) is not overdue in the filing of any social security returns or any other labour related returns; and

(iii) has no claims which are being asserted against it with respect to social security contributions or any other labour related contributions;

except in cases where such claims, overdue filings and failures to pay timely contributions could not reasonably be expected to result in aggregate liabilities in excess of €5,000,000.

Each of the Obligors and its Subsidiaries has complied in all material respects with any applicable labour law, social security law, labour regulations or social security regulation.

17.15 Opening Financial Statements

The Opening Financial Statements were prepared in accordance with Applicable Accounting Principles consistently applied, and (in the case of audited financial statements) present a true and fair view of, or (in the case of unaudited financial statements) fairly present the consolidated financial position of the relevant entity at the date as of which they were prepared and/or (as appropriate) the consolidated results of operations and changes in the consolidated financial position of during the period for which they were prepared and have been reviewed by the relevant auditors without any qualification or reservation.

17.16 Information Package

(a) So far as the Company is aware, after proper review and consideration, all statements of fact relating to the assets, financial condition and operations of the business of the Group contained in the Information Package are true and accurate in all material respects as at the date such statements were made.

(b) The opinions and views exposed in the Information Package and the Tax Structure Report represent the honestly held opinions and views of the Company and were arrived at after careful consideration and were based on reasonable grounds.

(c) All projections and forecasts contained in the Information Package are based upon assumptions (including, without limitation, assumptions as to the future performance of the business, inflation, price increases and efficiency gains) which the Company has carefully considered and considers to be fair and reasonable.

(d) The Information Package does not omit to disclose or take into account any matter known to the Company after proper review and consideration where failure to disclose or take into account such matter would be reasonably likely to result in the Information Package (or any material information or projection contained therein) being misleading in any material respect.

17.17 Reports

(a) All material factual information furnished by or on behalf of any member of the Group to any of the firms which prepared any of the Reports and contained or referred to therein was, so far as the Company is aware after proper review and consideration, true and accurate in all material respects at the time supplied.

(b) As at the date of the each Report, there was no material expression of opinion, forecast or projection contained in such Report with which the Company (after proper review and consideration) disagrees in any material respect (provided that nothing in this sub-clause shall require the Company to review or make any enquiry in relation to matters within the technical or professional expertise of the adviser preparing the relevant Report).

(c) So far as the Company is aware, after proper review and consideration, as at the date of each Report such Report did not omit to take account of any factual information related to the business of the Group where failure to take account of such factual information would result in the Reports (or any forecast or projection contained in the Reports) being misleading in any material respect (provided that nothing in this sub-clause shall require the Company to review or make any enquiry in relation to matters within the technical or professional expertise of the adviser preparing the relevant Report).

17.18 Documents

(a) The Transaction Documents or the summaries thereof in the case of the Subscription and Shareholders' Agreement and the service agreement between the Parent and Altice Services as furnished to the Agent, contain or summarise all the material terms of the transactions described therein which are material to the interests of the Finance Parties and there have been no amendments, variations or waivers of any such Transaction Documents which would materially and adversely affect the interests of the Lenders under the Finance Documents without the consent of the Mandated Lead Arrangers.

(b) The Group Structure Chart is complete and accurate in all material respects.

17.19 Intellectual Property Rights

(a) The Intellectual Property Rights required in order to conduct the business of the group:

(i) are beneficially owned by or licensed to members of the Group free from any licences to third parties which are prejudicial to the use of those Intellectual Property Rights and will not be adversely affected by the transactions contemplated by the Transaction Documents in a manner which would have or would be reasonably likely to have a Material Adverse Effect;

(ii) have not lapsed or been cancelled in any respect which would or would be reasonably likely to have a Material Adverse Effect and all reasonable steps have been or will timely be taken to protect and maintain such Intellectual Property Rights, including, without limitation, paying renewal fees where such failure to do so would have or be reasonably likely to have a Material Adverse Effect.

(b) So far as the Company is aware, the business of the Group does not infringe any Intellectual Property Rights of any third party in any material respect and where the Intellectual Property Rights required in order to conduct the business of the Group are subject to any right, permission to use or licence granted to or by any member of the Group, such agreement has not been breached or terminated to the extent such breach or termination would have or be reasonably likely to have a Material Adverse Effect.

17.20 Environmental Warranties

(a) It, and each of its Subsidiaries, is in compliance with all Environmental Laws in all material respects, and all Environmental Licences necessary in connection with the ownership and operation of its business are in full force and effect where such failure to do so would have or be reasonably likely to have a Material Adverse Effect.

(b) To the best of its knowledge and belief, there are no circumstances which are reasonably likely to result in any person (including, without limitation, a regulatory authority) taking any legal proceedings or other action against it or any of its Subsidiaries (and no such proceedings or other action is pending or threatened) under any Environmental Laws including, without limitation, remedial action or the revocation, suspension, variation or non renewal of any Environmental Licence where any such proceedings would have or be reasonably likely to have a Material Adverse Effect.

(c) No:

(i) property currently or previously owned, based, occupied or controlled by it or any of its Subsidiaries is contaminated with any Hazardous Substance; or

(ii) discharge, release, leaching, irrigation or escape of any Hazardous Substance into the Environment has occurred or is occurring on, under or from that property,

in each case in circumstances where this would be reasonably likely to result in a Material Adverse Effect.

17.21 Holding Companies

Each of the Parent and the Company is a holding company and:

(a) has not traded or undertaken any commercial activities of any kind (other than by entering into the Transaction Documents or as contemplated by Clause 21.20 (*Holding Companies*));

(b) does not have any assets other than (i) shares or other interests (including interests in respect of shareholder debt permitted under this Agreement and the Intercompany Loans owed by its Subsidiaries) in its relevant Subsidiaries and (ii) cash, pending application to payments permitted hereunder, so long as such payments are made substantially contemporaneously with (but in any event within five Business Days of) the receipt of such cash; and

(c) does not have any material liabilities or obligations (actual or contingent) to any person other than (x) pursuant to the Transaction Documents, (y) Administrative Obligations and (z) prior to the Initial Closing Date, in respect of the Existing Financial Indebtedness and the Initial Restructuring Documents.

17.22 Claims Pari Passu

Under the laws of its jurisdiction of incorporation in force at the date hereof, the claims of the Finance Parties against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

17.23 Governing Law and Judgments

Subject to the Reservations, in any proceedings taken in its jurisdiction of incorporation in relation to any of the Transaction Documents to which it is a party, the choice of law expressed in such document to be the governing law thereof, and any judgment obtained in such jurisdiction, will be recognised and enforced.

17.24 No Immunity

Subject to the Reservations, in any proceedings taken in England, France, Belgium and/or Luxembourg in relation to any of the Transaction Documents to which it is party or in the courts of the other jurisdictions to which it has submitted in such Finance Documents and in its jurisdiction of incorporation, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process save that, in the case of assets that are employed in a service public (public service) and that are within the physical possession of the French State or an *entité de droit public* (public law entity), it is not certain that such assets will be capable of being attached, either by an Obligor as part of a repossession action or by a creditor of the Obligor as part of an enforcement action.

17.25 No Filing or Stamp Taxes

(a) There are no unpaid filing or stamp taxes (except as disclosed to the Agent on or prior to the date of this Agreement (including in the legal opinions delivered pursuant to Schedule 3 (*Conditions Precedent*)) or in relation to a Transfer Certificate), in each case where failure to pay would reasonably be expected to have a Material Adverse Effect.

(b) No Material Subsidiary is overdue (taking into account any extension or grace period) in filing tax returns in a manner or to an extent which could reasonably be expected to have a Material Adverse Effect.

(c) Under the laws of its Relevant Tax Jurisdiction in force at the date hereof, it is not necessary that any Transaction Document to which it is a party be filed, recorded or enrolled with any court or other authority in such jurisdiction or that any stamp, registration or similar tax be paid on or in relation to any Transaction Document to which it is party, save for (i) any filings and registrations necessary in connection with the Security Documents which are to be effected promptly after the date of execution thereof, (ii) documentary duty applicable under articles 3 to 10 of the Belgian Code of various duties and taxes (*Wetboek diverse rechten en taksen*/*Code des droits et taxes divers*) and (iii) any registration, stamp or other duty or any other cost necessary in connection with the enforcement (but not the validity) in France, Belgium and/or Luxembourg of the obligations under the Transaction Documents.

17.26 Centre of Main Interests and Establishments

Its Centre of Main Interest is situated in its jurisdiction of incorporation and it has no "establishment" (as that term is used in Article 2(h) of Council Regulation (EC) No.1346/2000 of 29 May 2000 Insolvency Proceedings) in any other jurisdiction.

17.27 Repetition

The representations and warranties in this Clause 17 shall be made on the date hereof, the Initial Closing Date and the Acquisition Closing Date and:

(a) the representations and warranties set out in Clause 17.16 (*Information Package*) shall, in respect of the Information Memorandum only, be made (subject to any disclosure made by the Obligors at that time to the Agent) only on the date of the Information Memorandum is approved by the Company;

(b) the representations and warranties set out in Clauses 17.1 (*Incorporation*) to 17.8 (*No Event of Default*), Clause 17.13 (*Accounts*), Clause 17.14(b) (*Tax and Social Security Liabilities*) and Clause 17.22 (*Claims Pari Passu*) shall be made on the date of this Agreement, the Initial Closing Date and the Acquisition Closing Date and repeated on the date of each Utilisation Request, each Utilisation Date and on the first day of each Interest Period by reference to the facts and circumstances existing on such date; and

(c) the representations and warranties set out in Clause 17.13 (*Accounts*) shall be repeated on each date the relevant accounts are delivered to the Agent by reference to the dates to which the relevant accounts were prepared.

18. FINANCIAL INFORMATION

All or some of these undertakings may be disapplied, included or removed in respect of a C (Additional Senior Financing) Facility tranche if so specified in the relevant C (Additional Senior Financing) Facility Commitment Letter or Covenant Agreement.

18.1 Financial Statements

The Company shall provide to the Agent by e-mail:

(a) without prejudice to paragraph (d) below, to as soon as the same become available, but in any event within 120 days (or in the case of the first 12 months after the Acquisition Closing Date in respect of the consolidated financial statements of the Group and of the Target and any

Obligor which is a Subsidiary of the Target, 150 days) after the end of each of its or, as the case may be, each Obligor's financial years:

(i) its audited consolidated financial statements for such financial year (in the case of the Company); and

(ii) the audited (to the extent audited in the ordinary course) financial statements of each Obligor for such financial year,

in each case audited by an internationally recognised firm of independent auditors licensed to practise in its jurisdiction of incorporation and accompanied by the related auditor's report and a written report signed by two of its Authorised Officers explaining any material variances against the Budget for that period;

(b) as soon as they become available but in any event within 45 days (or in the case of the first 12 months after the Acquisition Closing Date in respect of the consolidated financial statements of the Group and the financial statements of the Target, 60 days) after the end of each Financial Quarter, unaudited consolidated quarterly financial statements presented in the form set forth in the Agreed Base Case of (i) the Group; (ii) Numéricâble and its Subsidiaries (other than NC Numéricâble and its Subsidiaries); (iii) NC Numéricâble and its Subsidiaries; (iv) the Target and its subsidiaries; and (v) Coditel Brabant and each including, without limitation, a consolidated profit and loss account and balance sheet (including information on volumes and margins) and consolidated cashflow statement (i) for the Group, (ii) Numéricâble and its Subsidiaries; (iii) NC Numéricâble and its Subsidiaries; (iv) the Target and its subsidiaries; and (v) Coditel Brabant, and a comparison and commentary on a like for like basis of current trading and actual performance for the Group as indicated by the relevant accounts delivered against (x) the comparative figures in the previous year's accounts for the same period (other than in respect of a member of the Group which was not a member of the Group in the previous year) and (y) against the Budget in the case of each Financial Quarter ending after 31 March 2007, together with a commentary (including a comparison against the Budget) from an Authorised Officer of the Company on any material variances;

(c) as soon as they become available and in any event within 31 days after the end of each month, a Statistics Report in the form of Schedule 10 (*Statistics Report*);

(d) as soon as the same become available, but in any event not later than 30 June 2007, its audited consolidated financial statements for the financial year ending 31 December 2006; and

(e) by no later than 15 May 2007, the consolidated management accounts of the Company in respect of the first quarter of 2007 so as to enable the C Facility Mandated Lead Arranger to ascertain if a New Second Lien Facility shall be implemented in accordance with Clause 2.6 (*Structure Flex*).

18.2 Budget

(a) The Company shall, as soon as the same becomes available, and in any event within two (2) weeks from the beginning of each financial year of the Group deliver to the Agent by e-mail, the annual operating budget, including profit and loss account, balance sheet and cashflow statement, in substantially the same format as the Agreed Base Case, approved by the shareholders of the Company and prepared in accordance with Applicable Accounting Principles by reference to each Financial Quarter in respect of such financial year of the Group including:

(i) forecasts of projected material disposals (including timing and anticipated Net Proceeds thereof) and acquisitions contemplated in the Agreed Base Case (including timing and proposed funding arrangements relating thereto) on a consolidated basis for the Group;

(ii) projected annual profit and loss accounts (including projected turnover and operating costs) for and projected balance sheets and cash flow statements on a consolidated basis for the Group;

(iii) projected Capital Expenditure to be included for such financial year on a consolidated basis for the Group; and

(iv) projected Consolidated EBITDA as at the end of each Financial Quarter in such financial year.

(b) The Company shall forthwith provide the Agent with any details of material changes in the projections set out in any Budget delivered under this Clause as soon as it becomes aware of any such change and shall organise as soon as possible, in consultation with the Agent within any fiscal year, once a year, a meeting between the Finance Parties and senior management members of the Group to explain and discuss the budget for the coming year and the results of the previous financial year and to provide a qualitative analysis and commentary from the management of its proposed activities for such financial year.

18.3 Information: miscellaneous

The Company shall supply to the Agent promptly upon becoming aware of the relevant claim, a brief description of the material elements of any claim which is current, threatened or pending against the Vendor or any other person in respect of the Transaction Documents and a brief description of the material terms or elements of any disposal or insurance claim, in each case which will require a prepayment under Clause 8.2 (*Mandatory Prepayment from Receipts*).

18.4 Other Information

The Company shall and shall procure that each of the Obligors shall from time to time promptly on the request of the Agent (acting on behalf of the Instructing Group), (i) provide the Agent with such information about the business, assets, operations and financial condition of the Group, any member of the Group (including such member's business) as the Agent may reasonably require and (ii) permit the Agent to inspect its assets, books and records for reasonable cause at reasonable times and upon reasonable notice.

18.5 Compliance Certificates

(a) The Company shall ensure that each set of financial statements delivered by it pursuant to Clause 18.1(b) (*Financial Statements*) is accompanied by a Compliance Certificate signed by an Authorised Officer confirming compliance with the financial covenants set out in Clause 19 (*Financial Condition*) and the absence of any Default as at the end of such financial year or Financial Quarter to which such financial statements relate.

(b) The Company shall ensure that each set of financial statements delivered by it pursuant to Clause 18.1(a) (*Financial Statements*) is accompanied by a Compliance Certificate signed by its auditors confirming proper calculation by the Company of the financial covenants set out in Clause 19 (*Financial Condition*).

(c) If, in the reasonable opinion of the Instructing Group, (i) there are reasonable grounds to believe that any financial information provided pursuant to Clause 18 (*Financial Information*) is materially inaccurate or (ii) an actual Event of Default has occurred and is continuing, and in each case upon request of the Instructing Group, the Agent shall be entitled to have access, together with its accountants or other professional advisers, during normal business hours and upon reasonable notice to the assets, books and records of any Obligor and to inspect the same. The costs of investigations pursuant to (i) and (ii) above are to be borne by the Company where such

investigation confirms a material inaccuracy or the occurrence of an Event of Default (which had not been disclosed by the Company prior to the Agent's notice of inspection). No more than two investigations shall be permitted per annum.

18.6 Requirements as to financial statements

The Company shall procure that each set of quarterly and annual financial statements provided under this Clause 18 includes a balance sheet, profit and loss account and cashflow statement. In addition, upon the request of the Agent (stating the questions or issues which the Agent wishes to discuss with the Auditors) and the consent of the Company (such consent not to be unreasonably withheld or delayed), the Company shall procure that the Auditors are authorised (at the expense of the Company):

(a) to discuss the financial position of each member of the Group with the Agent on request from the Agent; and

(b) to disclose to the Agent for the Finance Parties any information which the Agent may reasonable request.

18.7 Change in Accounting Practices

Each of the Obligors shall ensure that each set of financial statements delivered to the Agent pursuant to this Clause 18 is prepared using the Applicable Accounting Principles consistent with those applied in the preparation of its Opening Financial Statements unless, in relation to any such set of financial statements, the Company notifies the Agent that there have been one or more changes in any such accounting policies, practices, procedures or reference period.

If there is a change in any such accounting policies, practices, procedures or reference period:

(a) the Company shall promptly advise the Agent;

(b) if in the reasonable opinion of the Agent such change adversely affects or is expected to adversely affect the protections contemplated by the financial covenants and financial definitions herein, following request by either party the Company and the Agent shall negotiate in good faith with a view to agreeing any amendments to those financial covenants and financial definitions which are necessary to give the Finance Parties comparable protection to that contemplated by those covenants and definitions at the date of this Agreement;

(c) if amendments satisfactory to the Instructing Group are agreed by the Company and the Agent within 30 days of that notification by either party, those amendments shall take effect in accordance with the terms of that agreement;

(d) if amendments satisfactory to the Instructing Group are not agreed by the Company and the Agent within such 30 day period, then within 15 days after the end of that 30 day period the Company shall procure that the auditors of the relevant Obligor provide:

(i) a description of the changes and the adjustments which would be required to be made to those financial statements in order to cause them to reflect the accounting policies, practices, procedures and reference period upon which such Original Financial Statements were prepared; and

(ii) sufficient information, in such detail and format as may be reasonably required by the Agent, to enable the Lenders to make an accurate comparison between the financial positions indicated by those financial statements and by such Original Financial Statements,

and any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

18.8 Notifications

The Company shall, to the extent known and available to the Company or any member of the Group, furnish or procure that there shall be furnished to the Agent by e-mail (after the occurrence of a Listing, subject to confidentiality requirements imposed by Law on listed companies):

(a) promptly, all documents relating to the financial obligations of any Obligor despatched by or on behalf of any Obligor to its creditors generally (in their capacity as creditors) (including, without limitation, any notifications or documents relating to any Finance Document);

(b) as soon as the same are instituted or, to its knowledge, threatened, details of any litigation, arbitration or administrative proceedings involving any member of the Group which, if adversely determined, could result in potential liabilities in excess of €15,000,000 (or its equivalent in other currencies) or otherwise might have a Material Adverse Effect;

(c) written details of any Default forthwith upon becoming aware of the same, and of all remedial steps being taken and proposed to be taken in respect of that Default;

(d) promptly upon receipt of a request by the Agent, a certificate signed by an Authorised Officer certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy the same);

(e) written details of any material breach of any Transaction Document;

(f) an updated list of Material Subsidiaries whenever any member of the Group becomes, or ceases to be a Material Subsidiary; and

(g) a copy of all corporate authorisations, independent experts or accountants' reports and merger agreements relating to a Permitted Restructuring.

18.9 "Know Your Customer" Checks

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied with the results of all necessary "know your customer" or other checks in relation to any relevant person pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied with the results of all necessary "know your customer" or other checks on Lenders or prospective new Lenders pursuant to the transactions contemplated in the Finance Documents.

18.10 Syndication information

The Agent shall provide to the Company a list of the Lenders semi-annually or more frequently on request.

18.11 Hard copy documents

The Company shall deliver as soon as reasonably practicable a hard copy to the Agent of all documents delivered under this Clause 18 by e-mail, it being understood that all time periods referred to in this Clause 18 shall run from delivery of any document in e-mail form only.

18.12 Restrictions

(a) Notwithstanding anything to the contrary in any Finance Document (other than paragraph (d) below and paragraph (b) of Clause 25.3 (*Duties of the Agent and the Second Lien Agent*), unless otherwise agreed in writing by the Company (whether pursuant to a C (Additional Senior Financing Facility) Commitment Letter, a Covenant Agreement or otherwise), no C (Additional Senior Financing) Facility Lender shall be entitled to receive (and no Finance Party shall disclose to any C (Additional Senior Financing) Facility Lender) any accounts, statements, reports, budgets, communications or other documents delivered under or in connection with the Finance Documents provided that:

(i) the Agent and the Security Agent shall be entitled to, and shall, deliver to a C (Additional Senior Financing) Facility Lender any communication or document which:

(A) they consider to be of a purely administrative nature and which is otherwise contemplated to be delivered to that C (Additional Senior Financing) Facility Lender in accordance with the terms of any Finance Document;

(B) they are expressly required to deliver to that C (Additional Senior Financing) Facility Lender pursuant to any applicable C (Additional Senior Financing) Facility Commitment Letter; and

(ii) in the event that a C (Additional Senior Financing) Facility Lender is required to deliver such accounts, statements, reports, budgets, communications or other documents to any person under any Refinancing Debt Document to which it is party, it shall notify the Agent and the Security Agent accordingly and the Agent and the Security Agent shall be entitled to, and shall deliver the relevant documents to that C (Additional Senior Financing) Facility Lender in accordance with the terms of the Finance Documents.

(b) Each C (Additional Senior Financing) Facility Lender in respect of any C (Additional Senior Financing) Facility which is financed through Refinancing Debt in the form of senior secured notes (or another capital markets instrument) or where such Refinancing Debt is held by an Equity Sponsor Affiliate agrees that (A) if an Event of Default or Default has occurred (and is continuing) or in the opinion of the Agent (acting reasonably) is reasonably expected to occur and (B) in such circumstances, in the Agent's opinion (acting reasonably) there could reasonably be expected to be a conflict between the interests of the C (Additional Senior Financing) Facility

Lender and the other Lenders in relation to the subject matter of the meeting, call or documentation referred to in (i) and (ii) below:

(i) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Agent or, unless the Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and

(ii) in its capacity as Lender, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Agent or one or more of the other Lenders,

(c) If an event of default (however described) under the Refinancing Debt or a Refinancing Debt Acceleration Event occurs, the relevant C (Additional Senior Financing) Facility C Lender shall promptly notify the Agent upon becoming aware of such event.

(d) If the Agent exercises any of its rights under Clause 22.18 (*Acceleration*) it shall promptly notify each C (Additional Senior Financing) Facility C Lender.

19. FINANCIAL CONDITION

All or some of these undertakings may be disapplied, included or removed in respect of a C (Additional Senior Financing) Facility tranche if so specified in the relevant C (Additional Senior Financing) Facility Commitment Letter or Covenant Agreement.

19.1 Ratios

At all times, the financial condition of the Group, as evidenced by the financial statements provided pursuant to Clause 18.1 (*Financial Statements*) shall be such that:

(a) Consolidated Total Net Borrowings to Annualised EBITDA

Consolidated Total Net Borrowings on any Quarter Date specified in the table in paragraph (d) of this Clause 19.1 shall not be more than X times Annualised EBITDA for the period ending on such Quarter Date, where X has the value indicated for such Quarter Date in the relevant column in such table.

(b) Debt Service Coverage Ratio: Consolidated Cash Flow to Consolidated Total Debt Service

The sum of Consolidated Cash Flow for any period comprising four consecutive Financial Quarters (taken together as one period) ending on any Quarter Date (or, if shorter, comprising the period commencing on the Initial Closing Date and ending on the relevant Quarter Date), shall not be less than 1.0 times Consolidated Total Debt Service for the same period.

The testing requirement under this Clause 19.1(b) shall be suspended for so long as the ratio of Consolidated Total net Borrowings to Annualised EBITDA is less than 3.0:1.

(c) Net Interest Coverage Ratio: Annualised EBITDA to Consolidated Total Net Cash Interest Payable

Annualised EBITDA for the period ending on any Quarter Date specified in the table in paragraph (d) of this Clause 19.1, shall not be less than Y times Consolidated Total Net Cash Interest Payable for the six month period ended on such Quarter Date multiplied by two, where Y has the value indicated for such Quarter Date in the relevant column in such table.

(d) Ratio Table

This is the table referred to in paragraphs (a) and (c) above:

Accounting Date	Testing period ending prior to the 2011 Extension Effective Date		Testing period ending on or after the 2011 Extension Effective Date	
	X	Y	X	Y
30 September 2009	6.40	2.65		
31 December 2009	6.20	2.65		
31 March 2010	6.15	2.70		
30 June 2010	6.00	2.70		
30 September 2010	5.95	2.70		
31 December 2010	5.85	2.70		
31 March 2011	5.75	2.75		
30 June 2011	5.70	2.80		
30 September 2011	5.65	2.85	5.90	2.75
31 December 2011	5.55	2.95	5.80	2.70
31 March 2012	5.45	3.00	5.75	2.60
30 June 2012	5.20	3.05	5.70	2.55
30 September 2012	5.10	3.10	5.65	2.45
31 December 2012	4.95	3.15	5.60	2.35
31 March 2013	4.80	3.20	5.55	2.25
30 June 2013	4.60	3.30	5.50	2.25
30 September 2013	4.45	3.35	5.45	2.20
31 December 2013	4.35	3.35	5.40	2.15
31 March 2014	4.15	3.40	5.30	2.15
30 June 2014	3.95	3.40	5.25	2.15
30 September 2014	3.80	3.45	5.15	2.20
31 December 2014	3.65	3.50	5.05	2.20
31 March 2015	3.45	3.75	4.90	2.30
30 June 2015	3.20	4.00	4.75	2.40
30 September 2015	3.05	4.20	4.60	2.45
31 December 2015	2.90	4.20	4.50	2.50
31 March 2016	2.90	4.20	4.35	2.55
30 June 2016	2.90	4.20	4.30	2.60
30 September 2016	2.90	4.20	4.10	2.65
31 December 2016	2.90	4.20	4.00	2.70
31 March 2017	2.90	4.20	3.90	2.70
30 June 2017	2.90	4.20	3.80	2.75
30 September 2017	2.90	4.20	3.60	2.85
31 December 2017 and thereafter	2.90	4.20	3.50	2.85

provided that the first Quarter Date on which the calculations are carried out shall be the Quarter Date in respect of the second full Financial Quarter following the Initial Closing Date.

19.2 Covenant Capital Expenditure

(a) The Company shall ensure that the Group shall not in any twelve month period ending 31 December incur Fixed Capital Expenditure in excess of the sum of: (i) Retained Excess Cash Flow for the financial year ending within such twelve month period, starting with the financial year ending 31 December 2007 (to the extent unspent), (ii) the Unused Amount of the preceding twelve month period ending 31 December, (iii) the amount of any non-refundable and non-interest

bearing subsidies for Fixed Capital Expenditures paid in cash and (iv) the amounts set forth below (the "**Covenant Capital Expenditure**"),

Twelve Month Period Ending	Covenant Capital Expenditure (€)
31 December 2007	250,700,000
31 December 2008	228,000,000
31 December 2009	141,260,000
31 December 2010 and each financial year ending thereafter	131,700,000

(b) The limitation on Fixed Capital Expenditure in Clause 19.2(a) shall be suspended for so long as the ratio of Consolidated Total Net Borrowings to Annualised EBITDA is less than 3.0:1.

19.3 Calculation: Pro Forma Basis

All calculations of the financial covenants set out in Clause 19.1 (*Ratios*) and the financial definitions used therein or in any other provisions of this Agreement shall be made on a pro forma basis giving effect to all material acquisitions and/or dispositions made during the relevant period of calculation based on the actual historical financial effects thereof.

19.4 VAT Refund

Amounts received by any member of the Group and/or payable by any member of the Group to the Vendor in respect of VAT refunds relating to the Acquisition shall be excluded from all calculations under this Clause 19 and from the calculation of Excess Cash Flow.

19.5 Equity Cure

The Parent will have the right to cure, within 21 Business Days following delivery to the Agent of the financial statements evidencing such breach, breaches of financial covenants under this Clause 19 by the making of a Private Equity Contribution to the Company, which monies shall count (at the Parent's election) as EBITDA, cashflow or cash (for the purpose of calculating Consolidated Total Net Borrowings) (without double counting) as if contributed at the beginning of the relevant test period (an "**Equity Cure**"), provided that:

(a) no more than four Equity Cures are permitted over the life of the Facilities; and

(b) two Equity Cures on consecutive testing dates are not permitted,

provided further that Special Private Equity Contributions shall not be subject to such limitations.

No amount contributed as a Private Equity Contribution under this Clause 19.5 shall be used to fund an Advance Buy-Back.

19.6 Alternative Financial Covenants

Any C (Additional Senior Financing) Facility Commitment Letter may set out an alternative set of financial covenants which are more favourable to the Obligors in all respects than those set out in Clause 19.1 (*Ratios*). Such ratios shall be deemed included in this Clause 19 such that the provisions of Clauses 19.3 (*Calculation: Pro Forma Basis*) and 19.5 (*Equity Cure*) shall apply to them.

20. POSITIVE UNDERTAKINGS

The following undertakings in this Clause 20 and in Clause 21 (*Negative Undertakings*) shall continue for so long as any sum remains payable or capable of becoming payable under the Finance

Documents. All or some of these undertakings may be disapplied or where exceptions to undertakings have been included in this Clause 20 and in Clause 21 (*Negative Undertakings*), additional exceptions may be included (including higher baskets) in respect of a C (Additional Senior Financing) Facility tranche if so specified in the relevant C (Additional Senior Financing) Facility Commitment Letter.

20.1 Authorisations and Consents

Each Obligor will, and will procure that each of its Subsidiaries will, apply for, obtain and promptly renew from time to time and maintain in full force and effect all necessary consents (in the case of the Acquisition Agreement only, which are material) and comply with the terms of all such consents, and promptly make and renew from time to time all necessary filings (in the case of the Acquisition Agreement only, which are material), as may be required under any applicable law or directive to enable it to enter into, exercise its rights, and perform and comply with its obligations under the Transaction Documents to which it is party and to carry out the transactions contemplated by such Transaction Documents and to ensure that its obligations under such Transaction Documents are valid, legally binding and, subject to the Reservations, enforceable in all material respects and each of the Security Documents to which it is party constitutes valid security ranking, subject to the Reservations, in accordance with its terms.

20.2 Maintenance of Status and Authorisation

Each Obligor will, and will procure that each of its Subsidiaries will:

(a) do all such things as are necessary to maintain its corporate or other existence;

(b) ensure that it has the right to conduct its business and will obtain and maintain all Authorisations and necessary concessions and make all filings necessary for the conduct of such business and take all reasonable steps necessary to ensure that the same are in full force and effect save to the extent that the absence of any Authorisations, concession or filing or the variation of any such Authorisations, concession or filing does not and is not reasonably likely to have a Material Adverse Effect and is not adverse to the interests of the Finance Parties; and

(c) comply with all laws and directives binding upon it and use all reasonable endeavours to procure compliance in all material respects by all of its respective officers and employees with all applicable laws and directives relevant to the business of the Group binding upon them,

provided that this Clause 20.2 shall not prohibit any mergers, dissolution or winding-up forming part of a Permitted Restructuring.

20.3 Pari Passu Ranking

Each Obligor will, and will procure that each of its Subsidiaries will, ensure that, to the extent legally possible, its payment obligations under each of the Finance Documents are unconditional and rank and will at all times rank at least pari passu in right and priority of payment with all its other present and future unsecured and unsubordinated indebtedness (actual or contingent) except indebtedness preferred solely by operation of law.

20.4 Acquisition Documents

(a) The Company shall (and the Company will procure that each relevant member of the Group will) promptly pay all amounts payable to the Vendor under the Acquisition Documents in relation with the Acquisition as and when they become due (except to the extent that any such amounts are being contested in good faith by a member of the Group and where adequate reserves are set aside for any such payment);

(b) the Company shall, (and the Company will procure that each relevant member of the Group will), take all reasonable and practical steps to preserve and enforce its rights (or the rights of any other member of the Group) and pursue any claims and remedies arising under any Acquisition Documents unless (i) in the reasonable opinion of the directors of the relevant Obligor or Subsidiary it would not be in the best interests of such entity, or the Group taken as a whole, to pursue such remedy and (ii) the failure to pursue such remedy would not be materially adverse to the interests of the Finance Parties; and

(c) the Company will procure that the proceeds of any of the rights or claims referred to in paragraph (b) above are downstreamed into the Group in cash by means of a share premium contribution as permitted pursuant to the provisions of the Agreement;

in case where failure to comply would not be reasonably likely to cause a Material Adverse Effect.

20.5 Insurances

(a) Each Obligor will, and will procure that each of its Subsidiaries will, effect and thereafter maintain insurances at its own expense in respect of all its assets and business of an insurable nature with reputable insurers of good standing. Such insurances must:

(i) provide cover against all risks which are normally insured against by other companies owning, possessing or leasing similar assets and carrying on similar businesses; and

(ii) be in such amounts as would in the circumstances be prudent for such companies;

(b) Each Obligor will, and will procure that each of its Subsidiaries will:

(i) supply to the Agent on reasonable request copies (if available) of each policy for insurance required to be maintained in accordance with paragraph (a) above (or certificates in respect of such policies or such other evidence as may be reasonably acceptable to the Agent) together with the current premium receipts relating thereto; and

(ii) promptly notify the Agent in writing of any claim or notification under any of its insurance policies which is for, or is reasonably likely to result in a claim under such policy for an amount in excess of €5,000,000.

20.6 Taxes

Each Obligor will, and will procure that each of its Subsidiaries will, duly and punctually pay and discharge all material taxes due and payable by it or that Subsidiary within the time period allowed before material penalties are incurred (save to the extent that payment of the same is being contested in good faith and is appropriately reserved for in its accounts or in the relevant Subsidiary's accounts in accordance with the Applicable Accounting Principles).

20.7 Hedging Arrangements

(a) The Company will (and will procure that members of the Group will) within 90 days of the Initial Closing Date (or the Acquisition Closing Date in the case of Advances made on such date) enter into Acceptable Hedging Agreements with Hedge Counterparties so as to ensure that for a period of no less than three years from the first Advance hereunder the Group has hedging of interest rate exposure in respect of not less than 66⅔ per cent of the Outstandings (other than under the Capital Investment Facility) and the principal amount of the Mezzanine Facilities from time to time.

(b) The Company (or other members of the Group) shall enter into Acceptable Hedging Agreements with Hedge Counterparties:

(i) as required by paragraph (b) of Clause 21.25 (C (Additional Senior Financing) Facility Advances and Senior Subordinated Notes);

(ii) to hedge such percentage (but not exceeding 100 per cent.) as the Company from time to time sees fit of the interest and amounts in the nature of interest payable in cash in respect of each C (Additional Senior Financing) Facility Advance which is denominated in US dollars back to euros for such longer periods than those required by paragraph (b) of Clause 21.25 (C (Additional Senior Financing) Facility Advances and Senior Subordinated Notes) as the Company from time to time sees fit;

(iii) to hedge such percentage (but not exceeding 100 per cent.) as the Company from time to time sees fit of the principal and amounts in the nature of principal payable in respect of each C (Additional Senior Financing) Facility Advance which is denominated in US dollars back to euros for such periods as the Company from time to time sees fit; and

(iv) to hedge the Group's interest rate exposure in respect of up to 66⅔ per cent. of the aggregate amount of the Term Facility Outstandings (taking into account scheduled repayments) (after taking into account any currency hedging entered into pursuant to sub-paragraphs (b)(i) and/or (ii) above) from time to time, for such periods as the Company from time to time sees fit.

(c) The Company (or other members of the Group, provided that such other members of the Group are borrowers of Subsidiary Proceeds Loans) shall enter into Senior Subordinated Notes Hedging Agreements (which must be Acceptable Hedging Agreements) with Senior Subordinated Notes Hedge Counterparties to hedge:

(i) 100% of the interest and amounts in the nature of interest payable in cash in respect of each Subordinated Company Loan and/or (without double counting) Subsidiary Proceeds Loan which is denominated in a currency other than euro back to euros for the period to, at least, the earlier of (i) the end of any non-call period (howsoever described) under the Senior Subordinated Notes issued to fund that Subordinated Company Loan or Subsidiary Proceeds Loan and (ii) the date on which all Term Facility Outstandings (other than C (Additional Senior Financing) Facility Outstandings) have been repaid in full (or any later date specified in any C (Additional Senior Financing) Facility Commitment Letter);

(ii) such percentage (but not exceeding 100%) as the Company from time to time sees fit of the interest and amounts in the nature of interest payable in cash in respect of each Subordinated Company Loan and/or (without double counting) Subsidiary Proceeds Loan which is denominated in a currency other than euro back to euros for such longer periods than those required by sub-paragraph (i) above as the Company from time to time sees fit;

(iii) such percentage (but not exceeding 100%) as the Company from time to time sees fit of the principal and amounts in the nature of principal payable in respect of each Subordinated Company Loan and/or (without double counting) Subsidiary Proceeds Loan which is denominated in a currency other than euro back to euros for such periods as the Company from time to time sees fit; and

(iv) the Group's interest rate exposure in respect of up to 66⅔ per cent. of the aggregate amount of any Subordinated Company Loans and/or (without double counting) Subsidiary Proceeds Loans which are funded from the proceeds of floating rate Senior Subordinated Notes (after taking into account any currency hedging entered into pursuant to sub-paragraphs (i) and/or (ii) above) from time to time, for such periods as the Company from time to time sees fit.

The Finance Parties agree that each Senior Subordinated Notes Hedge Counterparty shall be permitted to vote in relation to any amendments to the rights or obligations of the Senior Subordinated Notes Hedge Counterparties in their capacity as such (but not in relation to any consent or instruction required from the Instructing Group under the Intercreditor Agreement). Without prejudice to the right of each Senior Subordinated Notes Hedge Counterparty to vote the amount of its Hedging Exposure as a Senior Creditor (as each such term is defined in the Intercreditor Agreement) under the Intercreditor Agreement, in respect of all other matters (including, without limitation, its rights under Clause 22.18 (*Acceleration*) and Clause 22.19 (*Repayment on Demand*)) each Senior Subordinated Notes Hedge Counterparty irrevocably waives its right to vote as a Lender under this Agreement in respect of its Ancillary Commitment pursuant to which it has entered into any Senior Subordinated Notes Hedging Agreement.

20.8 Pension Plans

Each Obligor will, and will procure that each of its Subsidiaries will, procure that it is in substantial compliance with all applicable laws and contracts relating to pension plans and schemes (if any) for the time being operated by it or in which it participates, if failure to do so would reasonably be expected to have a Material Adverse Effect.

20.9 Intellectual Property Rights

Each Obligor will and each Obligor will procure that each of its Subsidiaries will:

(a) observe and comply with all obligations and Laws applicable to it in its capacity as registered proprietor, beneficial owner, user, licensor or licensee of the Intellectual Property Rights which it requires to conduct the business of the Group or any part of it where failure to do would have or could reasonably be expected to have a Material Adverse Effect;

(b) do all acts as it deems necessary to maintain, register, protect and safeguard such Intellectual Property Rights as it deems to be required to conduct the business of the Group or any part of it where failure to do so would have or could be reasonably expected to have a Material Adverse Effect and not discontinue the use of any of such Intellectual Property Rights nor allow it to be used in such a way that it is put at risk by becoming generic or by being identified as disreputable unless in each case it determines that to do so would not have or could not reasonably be expected to have a Material Adverse Effect, in each case having regard to the cost benefit of so doing; and

(c) not grant any licence to any person to use the Intellectual Property Rights required to conduct the business of the Group if to do so would have or could be reasonably expected to have a Material Adverse Effect.

20.10 Comply with Applicable Laws

Each Obligor will (and each Obligor will procure that each of its Subsidiaries will) comply with all applicable Laws to which it may be subject in all material respects.

20.11 Further Assurance

(a) Each Obligor shall (and the Company shall procure that each member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

(i) to perfect the Security created or intended to be created under or evidenced by the Security Documents (which may include the execution of a mortgage, charge, assignment or other

Security over all or any of the assets which are, or are intended to be, the subject of the Security Documents) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law; and

(ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Documents.

(b) Each Obligor shall (and the Company shall procure that each member of the Group shall) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

(c) Following a Permitted Restructuring or a Permitted Acquisition by an Obligor, the relevant Obligor will grant to the Security Agent for the benefit of the Finance Parties, Security in such material assets and properties of such Obligor acquired pursuant to the relevant event, of the type required to be pledged or assigned pursuant to the Security Documents listed in Part VI of Schedule 3 (*Conditions Precedent*) (each of them for purposes of this paragraph (c) an "**Original Security Document**") to which it is a party, and which are not covered by such Original Security Documents, as may be reasonably requested by the Agent, having regard to the Agreed Security Principles.

(d) In addition:

(i) promptly upon the making (or increase in the principal amount) of a loan permitted under Clause 21.3(a) (*Intra-Group Transactions*) or Clause 21.9(b) or (g) (*Loans*), the relevant Obligor will assign the resulting loan receivables to the Beneficiaries, *provided* that the relevant Obligor shall not be required to pledge or assign such loan receivables if the aggregate amount of all such loan receivables held by all Obligors which are not pledged or assigned pursuant to this sub-clause (i) does not exceed €15,000,000 and *provided further* that upon any repayment of any such loan as permitted by the Intercreditor Agreement such loan shall automatically be released from the security created by any of the Security Documents to the extent of such repayment and the Agent shall upon the request of the relevant Obligor take all such action required in order to effect such release;

(ii) immediately upon making a Private Equity Contribution, the Parent and the relevant members of the Group will, to the extent such Private Equity Contribution or Special Private Equity Contribution is not already pledged, assigned or charged by existing Security Documents, grant an assignment, charge or pledge over such Private Equity Contribution or Special Private Equity Contribution in favour of the Finance Parties; and

(iii) promptly upon any acquisition from time to time by any Obligor of any material Intellectual Property Rights, that Obligor will grant to the Security Agent, for the benefit of the Finance Parties, Security over such material Intellectual Property Rights, subject to the Agreed Security Principles.

All such Security shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Security Agent, the terms of which shall be substantially similar to those of the Original Security Documents (collectively, together with the Security Document described in paragraph (f) below, the "**Additional Security Documents**") and, subject to, where applicable, registration, shall (subject to the relevant Reservations) constitute valid and enforceable, perfected Security superior to and prior to the rights of all third persons and subject to no other Encumbrances other than Permitted Encumbrances (except to the extent mandatorily preferred by law). The Additional Security Documents or instruments related thereto shall be duly recorded or

filed in such manner and in such places as are required by law to establish, perfect, preserve and protect the Security in favour of the Security Agent required to be granted pursuant to the Additional Security Documents and all taxes, fees and other charges payable in connection therewith shall have been paid in full.

(e) Each Obligor agrees that each action required above by this Clause 20.11 shall be completed as soon as practicable after such action is either requested to be taken by the Agent, or required to be taken by such Obligor pursuant to the terms of this Clause 20.11.

(f) Without prejudice to the generality of paragraph (c) above, the Company shall procure that any insurance policies entered into by any member of the Group, in substitution or as a replacement for any insurance policy which is subject to a delegation pursuant to the terms of an Original Security Document shall be made subject to a delegation under an Additional Security Document in favour of the Finance Parties on substantially the same terms as such Security Document as soon as practicable after any such insurance policy is entered into.

(g) In respect of a Permitted Acquisition and subject to the Agreed Security Principles, the relevant Obligor shall grant security over the shares in the target acquired as soon as practicable after the closing date of the acquisition and in any event within 90 days of the acquisition.

(h) In accordance with the terms of the Fourth Amendment Agreement, on the Fourth Amendment Agreement Effective Date each relevant Obligor shall enter into the Security Documents listed in Part VIII of Schedule 3 (*Conditions Precedent*).

(i) The Company shall ensure that Coditel Debt shall (to the extent it has not already done so) grant Security to the Security Agent as trustee on behalf of the Finance Parties in the form of the Security Document in respect of such rights entered into as a condition precedent to the Fourth Amendment Agreement over its rights under and in respect of any Advances immediately upon each Advance Buy-Back occurring. The Parent shall grant Security to the Finance Parties over the Coditel Debt Notes issued in connection with any Advance Buy-Back immediately on the occurrence of any Advance Buy-Back, in the form of the Security Document over such Coditel Debt Notes entered into as a condition precedent to the Fourth Amendment Agreement.

(j) Additional Security Documents shall, if so specified in the relevant C (Additional Senior Financing) Facility Commitment Letter or Additional Revolving Facility Commitment Letter (as the case may be), be entered into by the relevant Obligors in respect of a C (Additional Senior Financing) Facility Advance or Additional Revolving Facility Utilisation (as applicable) at or by the times requested thereby. Such additional Security shall not require the release of any Security in favour of the Finance Parties and shall not invalidate or render void existing Security.

20.12 Environmental Undertakings

Each Obligor will, and each Obligor will procure that each of its Subsidiaries will:

(a) comply in all material respects with the terms and conditions of all Environmental Licences and all Environmental Laws applicable to it; and

(b) promptly upon receipt of the same notify the Agent of any claim, notice or other material communication served on it by any regulatory authority in respect of or if it becomes aware of:

(i) any suspension, revocation or material variation of any Environmental Licence applicable to it which has or is reasonably likely to result in potential liabilities in excess of €7,500,000 (or its equivalent in other currencies); or

(ii) any breach of any Environmental Laws or any change in Environmental Laws which has or is reasonably likely to result in potential liabilities in excess of €7,500,000 (or its equivalent in other currencies); or

(iii) the issue of any enforcement or prohibition or similar notice by a regulatory authority or receipt by any member of the Group of any complaint, demand, civil claim or enforcement proceeding which has or is reasonably likely result in potential liabilities in excess of €7,500,000 (or its equivalent in other currencies).

20.13 Application of Utilisations

Each Borrower shall apply the proceeds of each Advance made to it exclusively for the applicable purposes specified in Clause 2.2 (*Purpose*).

20.14 Financial Assistance

Each Obligor will ensure that all payments, payment obligations and provision of security transaction and other assistance by and between members of the Group in connection with the Acquisition and the Finance Documents have been and will be made in compliance with applicable local laws and regulations concerning financial assistance by a company for the acquisition of or subscription for its own shares or the shares of its parent or any other company or concerning the protection of shareholders' capital.

20.15 French Tax Group

(a) The Company shall cause the other Tax Group Companies to maintain the benefits of tax consolidation (*intégration fiscale*) among the Company, Numéricâble, NC Numéricâble and the other French Subsidiaries which meet the criteria for tax integration (the "**Tax Group Companies**") at all times until all Outstandings under the Facilities and all obligations hereunder, including the payment of fees have been paid in full. All tax savings arising from tax consolidation shall be maintained at the level of the Company.

(b) Following the Acquisition Closing Date, the Target and its French Subsidiaries shall elect to join the tax group of the Company no later than 30 April 2007 (such that tax consolidation shall be effective as from 1 January 2007).

(c) Each Obligor shall maintain a minimum level of shareholding and voting rights in the share capital of the members of the Group which are organised under the laws of France as is necessary to ensure that a tax consolidation (*intégration fiscale)* will apply with each such member, subject to disposals permitted pursuant to Clause 21.2 (*Disposals*) or otherwise authorised by the Instructing Group.

20.16 Treasury Transactions

The Company shall only enter into treasury transactions that are authorised under this Agreement and which are not speculative in nature.

20.17 Group Bank Accounts

(a) The Company shall ensure that all bank accounts of the Group shall be opened and maintained with the Approved Banks, and to the extent provided in Part VI of Schedule 3 (*Conditions Precedent*), Clause 20.11 (*Further Assurance*), or Clause 24.12 (*Changes to Obligors*) are subject to valid Security under the Security Documents.

(b) Coditel Brabant shall ensure that the credit balance on its account opened with Banque de la Poste shall not exceed €40,000 at any time.

20.18 Permitted Restructuring

The Company shall use all reasonable efforts to procure that, no later than 31 December 2006, the steps referred to in Operation 4 and Steps 5, 6 and (provided the Acquisition has occurred) 8 of the Tax Structure Report are carried out.

20.19 Accounts

The Company shall provide that unqualified audited statutory and consolidated accounts of Ypso France SAS and audited consolidated accounts of AFE are delivered within 25 Business Days of the date of this Agreement.

20.20 Prepayment

The Company shall (and shall procure that its Subsidiaries will) prepay (as a voluntary prepayment) all Outstandings under the Term Facilities (other than, unless the relevant C (Additional Senior Financing) Facility Commitment Letter provides to the contrary, the C (Additional Senior Financing) Facility Outstandings) in full immediately upon the total Outstandings under the C (Additional Senior Financing) Facility exceeding ⅔ of the total Outstandings under all of the Term Facilities.

20.21 Application of Proceeds from Permitted Funding Sources

The Parent shall apply the proceeds of any Permitted Funding Source towards either:

(a) funding an Advance Buy-Back; or

(b) making a Private Equity Contribution.

For the avoidance of doubt, the uses set out in paragraphs (i) and (ii) above are mutually exclusive. The Parent shall therefore ensure that no amounts applied in accordance with paragraph (ii) above are subsequently used to fund any Advance Buy-Back.

21. NEGATIVE UNDERTAKINGS

21.1 Amalgamations and Change of Business

No Obligor will and each Obligor will procure that none of its Subsidiaries will:

(a) amalgamate, merge or consolidate with or into any other person or be the subject of any reconstruction other than:

  (i) any merger resulting from the Permitted Restructuring; or

  (ii) as a result of the solvent winding-up of any member of the Group which is not a Material Subsidiary or the Senior Subordinated Issuer and in connection therewith all of its assets (after settlement of all amounts owed or outstanding to the creditors of that member of the Group from such assets) are transferred to another member of the Group; or

(b) materially change the nature of the business of the Group as a whole.

The Company shall inform the Lenders promptly of any intention of any member of the Group to enter into any business that was not carried out by the Group on the Initial Closing Date that will lead to the incurrence of significant new Fixed Capital Expenditures (which are not (x) subsidised or (y) financed by customer deposits related to such business or non-refundable supplier contributions) and will if requested by the Agent (upon the instruction of the Instructing Group) promptly provide an updated business plan in the same format as the Agreed Base Case.

21.2 Disposals

No Obligor will and each Obligor will procure that none of its Subsidiaries will (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of any of its assets or all or any part of its undertaking or agree to do so. The following transactions shall not be prohibited by this Clause:

(a) disposals of assets (other than shares in any member of the Group) in the ordinary course of trading;

(b) payments in respect of Administrative Obligations and the disposal of Cash Equivalent Investments and any transfer of participations in Advances by the Parent to Coditel Debt pursuant to an Advance Buy-Back;

(c) the exchange of assets (other than shares in any member of the Group) located in its jurisdiction of incorporation for other assets of a similar nature and value located in its jurisdiction of incorporation;

(d) any disposal of assets to a member of the Group in circumstances permitted by Clause 21.3 (*Intra-Group Transactions*);

(e) any disposals of shares in any Dormant Company and any disposal pursuant to a Permitted Restructuring;

(f) any disposal of assets in the ordinary course of business (other than shares in any member of the Group) which are obsolete for the purpose for which such assets are normally utilised or which are no longer required for the efficient operation of the relevant person's business or operations, each on arm's length terms;

(g) any contribution of assets to a Joint Venture permitted by Clause 21.12 (*Joint Ventures*) provided that the fair value of such assets shall be taken into account in determining the amount that has been invested in such Joint Venture for the purpose of such clause and the limits that apply in respect thereof;

(h) minor short term leases of properties owned by members of the Group which do not materially reduce the value of such properties;

(i) any disposal to which the Instructing Group shall have given its prior written consent;

(j) the payment of management, consultancy and advisory fees in accordance with the Investor Documents as permitted under the Intercreditor Agreement;

(k) the granting of licenses of Intellectual Property Rights by members of the Group to third parties on arm's length terms in the ordinary course of business;

(l) any leasing of capacity on commercially reasonable terms on the networks or other infrastructure operated by any member of the Group; and

(m) disposals of assets (other than shares in any member of the Group) where the aggregate Net Proceeds of assets so disposed of by members of the Group other than in accordance with sub-paragraphs (a) to (l) (inclusive) above (i) in any financial year of the Company do not exceed €75,000,000 and (ii) and since the date of this Agreement do not exceed €150,000,000.

Provided that to the extent that any assets are permitted to be disposed of under the terms of this Clause 21.2, such assets shall, upon such disposal (except where such disposal is from one member of the Group to another member of the Group), be automatically released from the security created by

any of the Security Documents and the Agent is directed to take all such action required in order to effect such release.

Notwithstanding any other provision of this Clause 21.2, the Company shall not (whether by a single transaction or a number of related transactions, and whether at the same time or over a period of time) sell, transfer, lend or otherwise dispose of (otherwise than by means of a Permitted Encumbrance) any of its shares in Coditel Debt.

21.3 Intra-Group Transactions

(a) Subject to paragraph (b), no member of the Group may enter into any transaction with any other member of the Group not otherwise permitted hereunder (including any transaction pursuant to a Permitted Restructuring), save where such transaction is:

(i) a disposal between Obligors or between members of the Group which are not Obligors;

(ii) a disposal made between an Obligor and a member of the Group which is not an Obligor for cash consideration and on an arm's length terms;

(iii) a guarantee or indemnity permitted under Clause 21.8 (*Guarantees and Indemnities*);

(iv) a loan permitted under Clause 21.9 (*Loans*);

(v) a subscription for securities and other investments in a member of the Group provided that the aggregate principal amount outstanding under all such subscriptions and investments by an Obligor into a member of the Group which is not an Obligor (when aggregated with other amounts outstanding under paragraph (f) of Clause 21.8 (*Guarantees and Indemnities*) and paragraph (e) of Clause 21.9 (*Loans*)) shall not at any time exceed the Obligor/non-Obligor Basket;

(vi) the provision of management services;

(vii) the sub-contracting or delegation of service provision to subscribers and, in each case being in the ordinary course of that Group member's business, on an arm's length basis and on reasonable commercial terms, or is otherwise consistent with the Agreed Base Case or is from (or by) one Obligor to (or in) another Obligor or from (or by) a member of the Group which is not an Obligor to (or in) an Obligor; or

(viii) any transaction (other than as specified under paragraph (i) to (vii) above) entered into between one Obligor and another Obligor, or between a member of the Group which is not an Obligor and another member of the Group which is not an Obligor and which is not otherwise prohibited under the terms of this Agreement.

(b) Notwithstanding any other provision of the Finance Documents, save for transactions permitted by Clause 21.20(b), no member of the Group may enter into any transaction with the Parent other than:

(i) transactions relating to Administrative Obligations;

(ii) transactions relating to payments to shareholders of the Parent permitted under this Agreement;

(iii) disposals of shares in members of the Group to the Parent in order to comply with legal requirements relating to the minimum number of shareholders;

(iv) the provision of administrative and management services by the Parent to the Group which are remunerated on normal commercial terms; and

(v) the IFPECs and the Coditel Debt Notes held by the Parent (and, in connection with the issue of the Coditel Debt Notes, the transactions described in the Mayer Brown Structure Report).

(c) Notwithstanding any provision of paragraphs (a) or (b) above, the Company shall not (whether by a single transaction or a number of related transactions, and whether at the same time or over a period of time) sell, transfer, lend or otherwise dispose of (otherwise than by means of a Permitted Encumbrance) any of its shares in Coditel Debt to any other member of the Group or to the Parent.

21.4 Arm's Length Transactions

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, enter into any material transaction otherwise than on arm's length commercial terms and for full market value, save as otherwise expressly permitted by this Agreement.

21.5 Negative Pledge

(a) No Obligor will, and each Obligor will procure that none of its Subsidiaries will, create or agree to create or permit to subsist any Encumbrance on or over the whole or any part of its undertaking or assets (present or future) except for Permitted Encumbrances.

(b) For this purpose, "**Permitted Encumbrances**" means:

(i) liens arising solely by operation of law and in the ordinary course of its trading activities and not as a result of any default or omission on the part of any member of the Group;

(ii) rights of set-off existing in the ordinary course of trading activities between any member of the Group and its respective suppliers or customers;

(iii) rights of set-off or netting or pledges arising by (i) operation of Law, (ii) by contract by virtue of the provision to any member of the Group of clearing bank facilities or overdraft facilities permitted under this Agreement or (iii) by contract by virtue of the general banking terms and conditions of Banque de la Poste in respect of the bank account opened by Coditel Brabant with Banque de la Poste;

(iv) any retention of title to goods supplied to any member of the Group where such retention is required by the supplier in the ordinary course of its trading activities and on customary terms and the goods in question are supplied on credit the maturity of which shall not exceed 90 days;

(v) Encumbrances arising under finance leases, hire purchase, conditional sale agreements or other agreements for the acquisition of assets on deferred payment terms permitted under Clause 21.10 (*Leasing Arrangements*) and only to the extent such Encumbrances are granted by the relevant member of the Group over assets comprised within or constituted by such arrangements;

(vi) Encumbrances arising under the Security Documents or the Senior Subordinated Notes Security;

(vii) any Encumbrance to which the Agent (on the instructions of the Instructing Group) shall have given prior written consent;

(viii) Encumbrances created over cash deposits for the purpose of composite accounting arrangements entered into with Lenders providing members of the Group with banking facilities operated on a gross and net limit basis in the context of a Group's cash pooling;

(ix) any Encumbrance over goods and documents of title to goods arising in the ordinary course of letter of credit transactions entered into in the ordinary course of trading;

(x) any Encumbrance over or affecting an asset of a company which becomes a Subsidiary of any member of the Group after the date of this Agreement, being an Encumbrance which is in existence at the time at which that company becomes such a Subsidiary but only if (i) such Encumbrance was not created in contemplation of that company becoming such a Subsidiary, (ii) the principal amount secured by such Encumbrances has not been increased in contemplation of, or since the date of, the acquisition and shall not be increased, and (iii) such Encumbrance is released within 60 days of the date of such acquisition;

(xi) any Encumbrance over or affecting an asset which is acquired by any member of the Group after the date of this Agreement, being an Encumbrance which is in existence at the time at which that asset is acquired but only if (i) such Encumbrance was not created in contemplation of that asset being acquired, (ii) the principal amount secured by such Encumbrance has not been increased in contemplation of, or since the date of, the acquisition and shall not be increased, and (iii) such Encumbrance is released within 60 days of the date of such acquisition;

(xii) set-off rights on market standard terms contained in derivative contracts permitted by this Agreement;

(xiii) prior to the Initial Closing Date, Existing Encumbrances in respect of the Existing Facilities;

(xiv) any Existing Encumbrance specified in Part I of Schedule 8 (*Existing Encumbrances, Financial Indebtedness and Guarantees*) as being permitted to remain outstanding following the Initial Closing Date provided that neither the principal amount secured by such Existing Encumbrance nor the date for payment of the principal amount secured thereby shall be altered after the date hereof;

(xv) any Encumbrance existing over a cash collateral account established by the Company with Calyon in respect of prepayment fees under the Existing Facilities in respect of an amount not exceeding €2,500,000 and which shall be released within 6 weeks of the Initial Closing Date;

(xvi) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;

(xvii) liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of any member of the Group in accordance with Applicable Accounting Principles;

(xviii) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of any member of the Group;

(xix) Encumbrances over rental security deposits created in the ordinary course by members of the Group under leases of real property occupied by members of the Group;

(xx) any Encumbrance over cash paid into an escrow account by any third party or any member of the Group pursuant to any customary deposit or retention of purchase price arrangements entered into pursuant to any disposal or acquisition made by a member of the Group and which is permitted by this Agreement provided that the amount credited to such escrow account shall not exceed 25% of the consideration payable for such disposal or acquisition and provided further that the aggregate amount standing to the credit of all such escrow accounts pursuant to this paragraph (xx) shall not at any time exceed €100,000,000 (or its equivalent);

(xxi) Encumbrances in respect of a Permitted Asset Finance Arrangement; and

(xxii) any other Encumbrance created or outstanding on or over any asset of any member of the Group provided that the aggregate outstanding amount secured by all of the Encumbrances created or outstanding under this paragraph (xxii) shall not at any time exceed €25,000,000 (or its equivalent).

21.6 Transactions Similar to Security

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, sell, transfer or otherwise dispose of:

(a) any of its assets on terms whereby such asset is or may be leased to or reacquired or acquired by any member of the Group; or

(b) any of its receivables on recourse terms, except for the discounting of bills and notes in the ordinary course of business where the resulting Financial Indebtedness is permitted by Clause 21.7 (*Indebtedness*);

in circumstances where the transaction is entered into primarily as a method of raising finance or of financing the acquisition cost of an asset, except for:

(i) assets acquired in the course of its business carried on in the normal course; and

(ii) assets acquired through Capital Expenditure permitted under Clause 19.2 (*Covenant Capital Expenditure*) by way of a lease falling within and permitted under Clause 21.10 (*Leasing Arrangements*).

21.7 Indebtedness

(a) No Obligor will, and each Obligor will procure that none of its Subsidiaries will, incur or agree to incur or permit to subsist any Financial Indebtedness other than Permitted Indebtedness.

(b) For this purpose, "**Permitted Indebtedness**" means:

(i) Financial Indebtedness arising under the Finance Documents, Mezzanine Finance Documents, Private Equity Contributions, Special Private Equity Contributions, Shareholder Debt, Permitted Asset Finance Arrangements, Permitted Funding Sources, Coditel Debt Notes or any Subordinated Proceeds Loan;

(ii) Financial Indebtedness incurred by the Parent in order to finance a Private Equity Contribution and provided that such Financial Indebtedness shall be subordinated to the rights of the Finance Parties hereunder, have a maturity longer than the C Facility or, if a New Second Lien Facility is implemented, 15 June 2016 and contain no events of default or other prepayment or repayment rights which would allow the lender to require repayment prior to maturity except in accordance with the provisions of this Agreement;

(iii) Financial Indebtedness of the Parent under the €45,286,450 Convertible Preferred Equity Certificates, the €19,408,475 Convertible Preferred Equity Certificates, the €11,956,675 Preferred Equity Certificates, the €27,899,400 Preferred Equity Certificates, the €19,154,675 Yield Free Preferred Equity Certificates, the €44,692,750 Yield Free Preferred Equity Certificates, the €201,028,123.32 Convertible Preferred Equity Certificates, the €469,066,169.96 Convertible Preferred Equity Certificates, the €4,928,200 Preferred Equity Certificates, the €2,112,075 Preferred Equity Certificates, the €7,894,725 Interest Free Preferred Equity Certificates, the €3,383,450 Interest Free Preferred Equity Certificates in each case issued to the Equity Sponsors and management of the Group, each in the form provided to the Mandated Lead Arrangers prior to the date of this Agreement;

(iv) Financial Indebtedness permitted by Clauses 21.8 (*Guarantees and Indemnities*), 21.9 (*Loans*), 21.10 (*Leasing Arrangements*) and 21.11 (*Hedging Transactions*);

(v) Financial Indebtedness (other than of a member of the Group) owed by any entity acquired by the Group in compliance with the terms of this Agreement provided that:

(A) such Financial Indebtedness existed at the time such entity became a member of the Group and was not created in anticipation thereof;

(B) such Financial Indebtedness is discharged within 60 days of the acquisition of such entity;

(C) such Financial Indebtedness is not the subject of any guarantee given by any other member of the Group and that no member of the Group assumes any responsibility for such Financial Indebtedness; and

(D) following the acquisition of such entity the Consolidated Total Net Borrowings to Annualised EBITDA ratio is less than 5.0:1 or if it is not less than 5.0:1 the aggregate amount of any such Financial Indebtedness outstanding at any one time for the Group shall not exceed €15,000,000;

(vi) prior to the Initial Closing Date, the Existing Facilities;

(vii) any Existing Financial Indebtedness specified in Part II of Schedule 8 (*Existing Encumbrances, Financial Indebtedness and Guarantees*) as permitted to remain outstanding following the Initial Closing Date (and in the case of the Target Group's overdraft facility for a period of 90 days following the Acquisition Closing Date only);

(viii) the Intercompany Loans, a loan by Altice One to AFE in a maximum amount of €5,700,000 and the IFPECs issued by Coditel SàRL to the Parent; and

(ix) Financial Indebtedness in addition to the Financial Indebtedness permitted pursuant to paragraph (i) through (vi) above not exceeding an aggregate maximum amount of €50,000,000 (or its equivalent in other currencies) for the Group as a whole at any one time outstanding.

21.8 Guarantees and Indemnities

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, grant or agree to grant or permit to subsist any guarantee or indemnity other than:

(a) guarantees, indemnities or performance bonds in respect of the obligations of a member of the Group incurred in the ordinary course of trading of that member of the Group;

(b) guarantees and indemnities contained in the Finance Documents or the Mezzanine Finance Documents;

(c) guarantees and indemnities in respect of Financial Indebtedness of any other Obligor or any of its Subsidiaries which is otherwise permitted hereunder;

(d) guarantees and indemnities in respect of any obligation of any Obligor (other than the Parent) granted by any member of the Group;

(e) guarantees and indemnities in respect of any obligation of any member of the Group which is not an Obligor granted by any other member of the Group which is not an Obligor;

(f) guarantees and indemnities of any obligation of any member of the Group which is not an Obligor granted by any Obligor (other than the Parent), provided that the aggregate liability (actually or contingent) under all such guarantees and indemnities (when aggregated with the amounts outstanding under sub-paragraph (a)(v) of Clause 21.3 (*Intra-Group Transactions*) and

paragraph (e) of Clause 21.9 (*Loans*)) shall not at any time exceed the Obligor/non-Obligor Basket;

(g) guarantees and indemnities given in respect of the indebtedness of a Joint Venture in which a member of the Group is a shareholder, on the basis that the maximum contingent liability under the guarantee shall be taken into account in determining the amount that has been invested in the Joint Venture for the purposes of the limits in Clause 21.12 (*Joint Ventures*);

(h) guarantees and indemnities listed in Part III of Schedule 8 (*Guarantees*);

(i) guarantees and indemnities required pursuant to the Acquisition Documents;

(j) guarantees and indemnities granted on arm's length terms in the context of an acquisition or disposal which is permitted under the Finance Documents;

(k) guarantees and indemnities granted by any entity which is acquired by a member of the Group where such acquisition is permitted under this Agreement and provided that any such guarantee and/or indemnity:

(i) existed at the time that entity was acquired by that member of the Group and was not created in anticipation of that acquisition;

(ii) is not subject to a guarantee and/or counter-indemnity given by any member of the Group; and

(iii) (if not otherwise permitted under this Agreement) is discharged within 60 days of the acquisition of such entity, or the liabilities thereunder are counter-indemnified by the vendor or one of its affiliates or a bank, or are adequately insured against or, to the extent that such guarantee and/or indemnity does not exceed €5,000,000 in aggregate for all Permitted Acquisitions, is reserved against in the accounts of the target entity which is acquired;

(l) guarantees and counter-indemnities in favour of financial institutions which have guaranteed any obligations of any member of the Group where, if any such guarantee relates to obligations of a member of the Group which is not the indemnifying party, that indemnifying party would have been permitted under the terms of the Finance Documents to give that guarantee;

(m) the endorsement of negotiable instruments in the ordinary course of trading;

(n) guarantees and indemnities customarily contained in mandate, commitment or engagement letters which are entered into with an arranger and/or underwriter of any debt or equity financing for the Group;

(o) guarantees and indemnities given in favour of directors and officers of the Parent or any member of the Group where such guarantees and indemnities are customary in respect of their function as such;

(p) guarantees and indemnities to professional advisers and consultants of any member of the Group given in the ordinary course of business;

(q) the granting of any indemnities by an Obligor in favour of any underwriters, initial purchasers, solicitation agents, tender agents, dealer managers or other persons pursuant to or in connection with any underwriting, purchase, commitment or similar agreement or engagement or mandate letter relating to any Refinancing Debt or any Senior Subordinated Notes, in customary form for financings similar to such Refinancing Debt and/or such Senior Subordinated Notes;

(r) any Subordinated Guarantee, and

(s) any other guarantee, indemnity, counter-indemnity, performance bond or endorsement not otherwise allowed under any of the preceding paragraphs under which the aggregate outstanding liability (actual or contingent) of the Obligors and other members of the Group shall not at any time exceed €15,000,000 (or its equivalent in other currencies).

21.9 Loans

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, make or agree to make or permit to be outstanding any loans or grant or agree to grant any credit other than:

(a) trade credit given on normal commercial terms in the ordinary course of its trading activities;

(b) with prior consent of the Instructing Group;

(c) a loan made by any member of the Group to an Obligor;

(d) a loan made by a member of the Group which is not an Obligor to another member of the Group which is not an Obligor;

(e) a loan made by an Obligor to a member of the Group which is not an Obligor provided that the aggregate principal amount outstanding under all such loans (when aggregated with the amounts outstanding under sub-paragraph (a)(v) of Clause 21.3 (*Intra-Group Transactions*) and paragraph (f) of Clause 21.8 (*Guarantees and Indemnities*)) shall not at any time exceed the Obligor/non-Obligor Basket;

(f) the Intercompany Loans, a loan by Altice One to AFE in a maximum amount of €5,700,000, the IFPECs issued by Coditel SàRL to the Parent and the Coditel Debt Notes;

(g) loans to directors or employees of the Group, provided that the maximum aggregate principal amount of all such loans shall not exceed €2,000,000 (or its equivalent in other currencies) at any time and provided such loans shall not be used to make equity investments in any member of the Group;

(h) as described in the Tax Structure Report;

(i) Private Equity Contributions in the form of debt;

(j) loans made to a person who is not a member of the Group or an Equity Investor or an Affiliate thereof, where such loan comprises deferred consideration in respect of a disposal made under Clause 21.2 (*Disposals*) of this Agreement and where the amount of such loan does not exceed 25 per cent. of the consideration received in respect of such disposal and the amount of all loans outstanding pursuant to this paragraph (j) at that time does not exceed €100,000,000 (or its equivalent);

(k) loans to Joint Ventures to the extent that such loan constitutes an investment in a Joint Venture which is permitted under Clause 21.12 (*Joint Ventures*) of this Agreement;

(l) any Subordinated Proceeds Loan, any Subsidiary Proceeds Loan and any debt investment permitted by Clause 21.13(xiii) (*Acquisitions and Investments*); and

(m) other loans not referred to in paragraphs (a)-(l) above not exceeding a maximum aggregate principal amount of €15,000,000 at any time.

No Obligor shall, and each Obligor shall procure that none of its Subsidiaries shall, be the creditor in respect of any Financial Indebtedness for which the debtor is the Parent.

21.10 Leasing Arrangements

No Obligor will, and each Obligor will procure that none of its Subsidiaries will enter into or permit to subsist any finance lease, hire purchase, conditional sale agreement or other agreement for the acquisition of any asset upon deferred payment terms, in each case when the same would in accordance with Applicable Accounting Principles be treated as a finance or capital lease, provided that members of the Group may enter into or permit to subsist such finance leases or other agreements in connection with the acquisition of real property, equipment and other items required for the business of the Group provided that the aggregate of the capital element of all rentals at any time under all such finance leases and agreements (determined in accordance with Applicable Accounting Principles) does not exceed €75,000,000.

21.11 Hedging Transactions

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, enter into any interest rate swap, cap, ceiling, collar or floor or any currency swap, futures, foreign exchange or commodity contract or option or any similar instrument for managing or hedging currency exposure other than:

(a) hedging arrangements in accordance with Clause 20.7 (*Hedging Arrangements*);

(b) for hedging currency and interest rate exposure arising in the ordinary course of trading of a member of the Group (and, in each case, not for speculative purposes); and

(c) for hedging interest rate and/or currency exposures in respect of Permitted Indebtedness.

21.12 Joint Ventures

No Obligor will, and each Obligor will procure that none of its Subsidiaries will enter into or permit to subsist any Joint Venture with any person, other than:

(a) any such Joint Venture subsisting on the Initial Closing Date; and

(b) investments in Joint Ventures (not constituting Subsidiaries) where:

(i) the investment, in all such Joint Ventures (after taking into account any amount referred to in Clauses 21.2 (*Disposals*), 21.8 (*Guarantees and Indemnities*) and 21.9 (*Loans*)) is no more than €20,000,000 (or its equivalent) in the aggregate after the date of this Agreement plus amounts applied from Retained Excess Cash Flow and/or Net Proceeds from disposals not required to be applied in prepayment of the Facilities and/or any new Private Equity Contributions;

(ii) the venture is a business of the same, related or complementary nature to the business carried out by the Group; and

(iii) the Joint Venture entity is incorporated or organised with limited liability or the interest in the Joint Venture entity is held through an entity incorporated with limited liability or the liability of the Group is otherwise limited to its investment in such Joint Venture or the liability of the Group is limited to the obligations of the Group under any contractual arrangements where the Joint Venture is not an entity.

21.13 Acquisitions and Investments

No Obligor will and each Obligor will procure that none of its Subsidiaries will:

(a) acquire any real property or any business or acquire any Subsidiary or the whole or substantially the whole of the assets of any other person or enter into any agreement so to do;

(b) own or acquire any interest in or subscribe for any share or equity related investment or debt or equity security or enter into any agreement to do so; or

(c) make any capital contribution to any person;

other than:

(i) any Permitted Acquisition;

(ii) the Acquisition;

(iii) any acquisition carried out as part of Operation 4 in accordance with the Tax Structure Report;

(iv) the shares owned by it in its Subsidiaries at the date of this Agreement;

(v) any acquisition by a member of the Group pursuant to a disposal permitted under Clause 21.2(e) (*Disposals*);

(vi) Cash Equivalents for treasury management purposes;

(vii) investments permitted pursuant to Clause 21.12 (*Joint Ventures*);

(viii) investments by Group members made after the date hereof in the equity or share capital of other members of the Group in circumstances permitted by Clause 21.3 (*Intra-Group Transactions*);

(ix) the acquisition of Coditel Debt;

(x) any acquisition of the share capital or other analogous ownership interest in a limited liability entity (including by way of formation), provided that such limited liability entity has not traded prior to the close of the acquisition of such entity and has no business or liabilities (other than start up liabilities) and has no interest, either directly or indirectly, in any equity investment;

(xi) any acquisition of shares from another member of the Group where the disposal of such shares is permitted pursuant to Clause 21.2 (*Disposals*) of this Agreement;

(xii) any acquisition of or subscription for shares in connection with the conversion of intra-Group debt into equity;

(xiii) the incorporation or acquisition of any Senior Subordinated Issuer and (if applicable) any Senior Subordinated Issuer GP by the Parent and the making of further debt or equity investments therein in order to fund amounts under paragraph (c) of the definition of Administrative Obligations; and

(xiv) any acquisition to which the Instructing Group has given its prior written consent.

21.14 Bank Accounts

No Obligor shall open or maintain any account with any branch of any bank or other financial institution providing like services unless such branch and bank or financial institution shall be an Approved Bank.

21.15 Change in Auditors

No Obligor will change its, and the Company will not change the Group's, auditors save to any one of KPMG, Deloitte & Touche, Ernst & Young and PricewaterhouseCoopers which is willing to provide the certification referred to in Clause 18.5 (*Compliance Certificates*) (on the same or substantially the same basis and format as the existing auditors) unless, as a matter of policy, the

relevant auditor (being one of KPMG, Deloitte & Touche, Ernst & Young and PricewaterhouseCoopers) ceases to provide such certificates, and provided that the Obligor or the Company has first given at least 15 days' prior written notice of such proposed change to the Agent.

21.16 Control

No Obligor will, and each Obligor will procure that none of its Subsidiaries will allot or issue any shares or any securities save for (a) intra-Group issues and allotments not diluting share ownership by the parent of the relevant entity immediately prior to such issue; (b) issues and allotments to its minority shareholders to the extent the proportionate shareholding held directly or indirectly by the Company is not diluted; (c) issuance of shares contemplated by the Tax Structure Report; (d) the issuance of shares by the Parent not constituting a Change of Control; (e) shares issued as part of a permitted Joint Venture; and (f) any share issue which constitutes a Private Equity Contribution or which is issued pursuant to a management or employee share scheme.

21.17 Variation of Documents

No Obligor will, and each Obligor will procure that none of its Subsidiaries will:

(a) amend supplement, supersede or waive any term of the Transaction Documents or the Investor Documents, or its by-laws or other constitutional documents; or

(b) enter into any agreements or arrangements with any shareholder of the Company,

in any way which, in each case, (i) would be likely to materially and adversely affect the interests of the Finance Parties under the Finance Documents or (ii) is expressly prohibited by the terms of the Intercreditor Agreement.

21.18 Payments to Members and Employees

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, make any payment to its members or shareholders or Affiliates of shareholders or employees other than:

(a) salaries, bonuses, other similar remuneration;

(b) loans permitted by Clause 21.9 (*Loans*);

(c) payments pursuant to paragraph (j) of Clause 21.2 (*Disposals*);

(d) payments permitted under Clause 21.22 (*Restriction on Payments*);

(e) payments made pursuant to transactions permitted under Clause 21.3 *(Intra-Group Transactions*); and

(f) as otherwise permitted by the terms of the Intercreditor Agreement,

in each case by way of management fee, royalty fee or otherwise, unless such payment is in respect of services actually provided on bona fide arm's length commercial terms.

21.19 Restriction on Redemption and Acquisition of Own Shares

(a) No Obligor will, and each Obligor will procure that none of its Subsidiaries will, directly or indirectly redeem, purchase, retire or otherwise acquire for consideration any shares or warrants issued by it or set apart any sum for any such purpose or otherwise reduce its capital except where:

(i) such payment is permitted under the Intercreditor Agreement or is expressly contemplated in the Tax Structure Report; or

(ii) the redemption, purchase, retirement or acquisition of shares or warrants is:

(A) made by a member of the Group (other than the Company or the Parent) to its direct shareholders;

(B) required by law in order to restore that member of the Group's share capital as a result of accumulated losses; or

(C) otherwise permitted under this Agreement.

(b) No Obligor shall hold its own share capital or the share capital of any of its shareholders.

(c) No Obligor shall (or shall permit any of its Material Subsidiaries to) issue any shares other than for cash except for:

(i) an employment equity scheme to be implemented by the Company;

(ii) the issue of shares to another member of the Group in return for non-cash consideration pursuant to a transaction permitted under Clause 21.3 (*Intra-Group Transactions*); or

(iii) the conversion of intra-Group Financial Indebtedness (or Financial Indebtedness owing by the Company to the Parent) into equity.

(d) Nothing in this Clause 21.19 shall prohibit a Permitted Restructuring in accordance with applicable law.

21.20 Holding Companies

(a) Notwithstanding any other provision of the Finance Documents, the Company:

(i) shall carry on business solely as a holding company of the Group and shall not carry on any other material business other than (i) the holding of (x) shares or other interests in its Subsidiaries and (y) cash, to the extent substantially contemporaneously (but in any event within five Business Days of receipt thereof) used to make payments permitted hereunder, (ii) the entry into and the performance of obligations in connection with the Transaction Documents and (to the extent permitted under the other provisions of the Finance Documents) the Senior Subordinated Notes Documents and the Covenant Agreement and (iii) the provision of administrative and management services to members of the Group;

(ii) shall not own any assets other than shares or other interests in its Subsidiaries, Subsidiary Proceeds Loans and Intercompany Loans;

(iii) with effect from the Initial Closing Date, shall not incur or agree to incur or permit to subsist any Financial Indebtedness or grant or permit to subsist any Encumbrance other than pursuant to the Transaction Documents, the Senior Subordinated Notes Security and the Subordinated Company Loans;

(iv) shall not make any loans (other than intercompany loans which are subordinated to the Finance Parties and pledged or assigned to the Finance Parties pursuant to a Security Document) to any other member of the Group; and

(v) shall not pay directors' fees other than in accordance with customary industry practices,

provided that nothing in this Clause 21.20 or, except in respect of paragraph (D) below, elsewhere in this Agreement shall in any way restrict or prohibit the:

(A) making of Private Equity Contributions or Shareholder Debt, the proceeds of which are invested in, or downstreamed to, the other members of the Group and which are pledged to the Finance Parties;

(B) carrying out of business on behalf of one or several members of the Group or co-ordinating the business of the Group in respect of white label operators, with television content providers or set-top box, modem or television decoder providers;

(C) issuing of guarantees and/or indemnities in respect of the obligations of its Subsidiaries to the extent permitted by Clause 21.8 (*Guarantees and Indemnities*); or

(D) entering into of the Senior Subordinated Notes Documents, purchase agreements (and delivering customary conditions precedent thereunder) on customary terms in respect of any issuance or incurrence of Refinancing Debt and/or Senior Subordinated Notes, transactions permitted by Clause 21.26 (Senior Subordinated Issuer) and 21.27 (Refinancing Debt Provider) and/or any Covenant Agreement.

(b) Notwithstanding any other provision of the Finance Documents save for transactions permitted by paragraph (b) of Clauses 21.3 (*Intra-Group Transactions*) and 21.24 (*Advance Buy-Backs*), the Parent shall carry on no business other than:

(i) the holding of shares in the Company, any Senior Subordinated Issuer, if a Senior Subordinated Issuer is in the form of a Luxembourg law SCA the holding of shares in a Luxembourg incorporated S.à.r.l. which is the unlimited partner of that Senior Subordinated Issuer (each a "**Senior Subordinated Issuer GP**") and in other members of the Group to meet legal requirements as to minimum number of shareholders;

(ii) the incurring of liabilities under (i) the Finance Documents and the Mezzanine Finance Documents and, to the extent otherwise permitted under the Finance Documents, the Senior Subordinated Notes Documents, purchase agreements (and delivering customary conditions precedent thereunder) on customary terms in respect of any issuance or incurrence of Refinancing Debt and/or Senior Subordinated Notes and any Covenant Agreement, (ii) prior to the Initial Closing Date, the Existing Financial Indebtedness, (iii) Financial Indebtedness constituting a Permitted Funding Source or otherwise permitted under paragraph (b)(ii) of Clause 21.7 (*Indebtedness*), (iv) under any Subordinated Parent Loan (and the issuance of any debt security constituting a Subordinated Parent Loan) and (v) the Senior Subordinated Notes Security and (vi) transactions permitted by Clause 21.26 (Senior Subordinated Issuer) and 21.27 (Refinancing Debt Provider);

(iii) the provision of administrative and management services to the Group, any Senior Subordinated Issuer and any Senior Subodinated Issuer GP which are remunerated on normal commercial terms;

(iv) the holding of the IFPECs issued by Coditel S.àR.L. and the holding of Coditel Debt Notes issued by Coditel Debt (and, in connection with the issue of the Coditel Debt Notes, the transactions described in the Mayer Brown Structure Report) and the granting of Shareholder

Debt and Private Equity Contributions, Subordinated Company Loans to the Company and investments permitted by Clause 21.13(xiii) (*Acquisitions and Investments*);

(v) the acquisition or purchase (whether by means of novation, transfer or assignment) of Outstandings pursuant to Advance Buy-Backs and the incurring of fees, costs and expenses in connection therewith; and

(vi) the entering into of the Senior Subordinated Notes Documents and/or any Covenant Agreement.

The Parent shall in connection with any Advance Buy-Back:

(A) immediately following any purchase of any Outstandings transfer (whether by assignment or novation) such Outstandings to Coditel Debt; and

(B) not transfer or dispose of the Coditel Debt Notes without the prior written consent of the Instructing Group.

The Parent agrees that it shall not, and shall ensure that no member of the Group shall, acquire any interest in any Utilisation except in accordance with and pursuant to an Advance Buy-Back.

(c) Notwithstanding any other provision of the Finance Documents save for Clause 21.24 (*Advance Buy-Backs*), Coditel Debt shall not trade, carry on any business or own any assets or incur any liabilities except for:

(i) in respect of any purchase of Outstandings pursuant to Advance Buy-Backs;

(ii) pursuant to the Coditel Debt Notes;

(iii) pursuant to any loan, dividend or distribution by Coditel Debt to any member of the Group of proceeds (whether interest or principal) received from any Borrower under this Agreement

(iv) ownership of bank accounts in its name;

(v) entering into agreements and contracts in connection with its corporate existence;

(vi) tax liabilities;

(vii) performance of its obligations and receipt of its rights and benefits under the Finance Documents; and

(viii) the holding of shares in Ypso Finance S.ar.l.

Coditel Debt shall in connection with any Advance Buy-Back (to the extent any previous security executed by it does not effectively extend to the Outstandings acquired), subject to the Agreed Security Principles, immediately execute an assignment by way of security over the Outstandings acquired in the same form as that previously delivered to the Agent or (if no assignment has previously been so delivered) in the form required by the Agent acting reasonably and in accordance with the Agreed Security Principles.

21.21 Centre of Main Interests

No Obligor shall (and the Company shall procure that no member of the Group will), without the prior written consent of the Instructing Group, cause or allow its Centre of Main Interests to change.

21.22 Restriction on Payments

(a) Subject to paragraphs (b) and (c) below, no Obligor will, and each Obligor will procure that none of its Subsidiaries will:

(i) declare or pay, directly or indirectly, any dividends or make any other distribution or pay any interest or other amounts, whether in cash or otherwise, on or in respect of its share capital or any class of its share capital or partnership interest or set apart any sum for any such purpose; or

(ii) repay or prepay or otherwise discharge or purchase any amount of principal of (or capitalised interest on) or pay any amount of interest on any subordinated shareholder loan or other shareholder debt instruments,

to third parties who are not members of the Group while any amounts are outstanding under the Facilities.

(b) The Company, Coditel Debt and the Parent may however apply, at their discretion, Retained Excess Cash Flow for payment of dividends or payment of interest, or repayment or prepayment of principal on shareholder debt provided that (with the exception of the distribution to be made if the Acquisition does not occur of up to €150,000,000 as described in Clause 2.2 (*Purpose*), in respect of which (ii) below shall not apply):

(i) no Event of Default has occurred and is continuing when the payment is made or would result from such payment; and

(ii) the ratio of Consolidated Total Net Borrowings (immediately following the payment) to Annualised EBITDA (calculated in respect of the two most recent Financial Quarters ending prior to the date of payment) is no greater than 4.0:1.

(c) Paragraph (a) above shall not apply to:

(i) any payment by the Company to the Parent, and by the Parent to any Senior Subordinated Issuer, in each case under and in accordance with the relevant Subordinated Proceeds Loans and only to the extent necessary to enable the relevant Senior Subordinated Issuer to fund scheduled interest payments (including gross-up payments, if applicable under the terms of the relevant Senior Subordinated Notes Documents (provided such terms are in customary form for debt securities similar to the Senior Subordinated Notes)) on the Senior Subordinated Notes, principal on the Senior Subordinated Notes at the original stated maturity(ies) of the Senior Subordinated Notes (provided such originally scheduled maturity is not earlier than 31 December 2018) and customary costs and expenses of the Senior Subordinated Issuer, including taxes and amounts payable to the Senior Subordinated Notes Trustee for its own account, in each case, to the extent not prohibited under the Senior Subordinated Notes Intercreditor Deed;

(ii) any payments, on a pro rata basis, to partners in any Joint Ventures permitted under Clause 21.12 (*Joint Ventures*);

(iii) any payments to minority shareholders of members of the Group on a pro rata basis; or

(iv) payments by the Company to the Parent in a maximum aggregate amount of EUR2,000,000 where such amounts are to be used by the Parent (directly or via a Senior Subordinated

Issuer GP) to capitalise a Senior Subordinated Issuer (as described in the Fifth Amendment Structure Memorandum) provided that:

(A) any such amount in excess of an initial payment of EUR 50,000 is paid to the Parent not earlier than five Business Days before the date on which the first issue of Senior Subordinated Notes is to be made;

(B) the Senior Subordinated Issuer uses the proceeds of such capital injection to pay interest on the Senior Subordinated Notes; and

(C) on a euro-for-euro basis, the amount of interest payable on the Subordinated Proceeds Loans is either reduced by an amount equal to the amount paid by the Company to the Parent or an equivalent amount is converted to non-cash pay interest.

21.23 Change in Financial Year

No Obligor shall, without the prior consent of the Agent (such consent not to be unreasonably withheld), change the end of its financial year except in accordance with the Tax Structure Report.

21.24 Advance Buy-Backs

For the avoidance of doubt, nothing in the Finance Documents shall prohibit any actions by the Parent, Coditel Debt and the Group which are described in the Mayer Brown Structure Report for the purpose of implementing any Advance Buy-Back (including any payments made by the Borrowers to Coditel Debt in respect of Outstandings so acquired but excluding any payments by Coditel Debt to the Parent unless otherwise permitted by this Agreement) and in respect of which Coditel Debt and the Parent grant Security as required by this Agreement and Coditel Debt enters into a Deed Poll as required by this Agreement.

21.25 C (Additional Senior Financing) Facility Advances and Senior Subordinated Notes

(a) Subject to Clause 8.3 (*Proceeds of Senior Subordinated Notes and C (Additional Senior Financing) Facility Advances*), the proceeds of each C (Additional Senior Financing) Facility Advance and of the Senior Subordinated Notes (through the Subordinated Proceeds Loans) (net of any related Senior Note Issue Costs in relation to such Advance or, as applicable, any Senior Subordinated Notes and Break Costs payable by the Borrowers in connection with such prepayment) shall be applied immediately in making a voluntary prepayment in accordance with Clause 7.1 (*Voluntary Prepayments*) and Clause 7.2 (*Order of Application*) in a corresponding amount.

(b) In respect of each C (Additional Senior Financing) Facility Advance which is denominated in US dollars, 100% of the interest and amounts in the nature of interest payable in cash in respect thereof shall be hedged back to euros for the period to, at least, the earlier of (i) the end of any non-call period (howsoever described) under the Refinancing Instrument issued to fund that C (Additional Senior Financing) Facility Advance and (ii) the date on which all Term Facility Outstandings (other than C (Additional Senior Financing) Facility Outstandings) have been repaid in full (or any later date specified in any C (Additional Senior Financing) Facility Commitment Letter).

21.26 Senior Subordinated Issuer

No Obligor shall (and each Obligor shall ensure that none of its Subsidiaries will) enter into any transaction or arrangement with any Senior Subordinated Issuer (including without limitation in relation to the disposal of assets to or acquisition of assets from a Senior Subordinated Issuer, the making of any loan or other payment to or the giving of any guarantee in respect of the obligations of a Senior Subordinated Issuer) except to the extent (i) expressly referred to in the Senior Subordinated

Notes Major Terms, (ii) expressly permitted under the Finance Documents, (iii) such transaction is reasonably incidental to or consequential upon the issuance of the Senior Subordinated Notes and is not otherwise prohibited under the Finance Documents or (iv) of payments made to the Senior Subordinated Notes Issuer in order to finance costs described under paragraph (c) of the definition of Administrative Obligations.

21.27 Refinancing Debt Provider

If any Refinancing Debt is made available by way of Senior Secured Notes or other capital markets instruments, no Obligor shall (and each Obligor shall ensure that none of its Subsidiaries will) enter into any transaction or arrangement with the issuer of such Refinancing Debt (the "**Issuer**") (including without limitation in relation to the disposal of assets to or acquisition of assets from the Issuer, the making of any loan or other payment to or the giving of any guarantee in respect of the obligations of the Issuer) except to the extent (i) expressly referred to in the Refinancing Debt Major Terms, (ii) expressly permitted under the Finance Documents, (iii) such transaction is reasonably incidental to or consequential upon the issuance of such Refinancing Debt and is not otherwise prohibited under the Finance Documents or (iv) of payments made to the Issuer in order to finance the reasonable costs associated with the operation of the Issuer.

22. EVENTS OF DEFAULT

Each of the events set out in this Clause 22 constitutes an Event of Default whether or not the occurrence of the event concerned is outside the control of the Parent, the Company or any other member of the Group. All or some of these Events of Default may be disapplied or made more favourable to the Obligors and the Group through the inclusion of higher thresholds or additional exceptions in respect of a C (Additional Senior Financing) Facility tranche if so specified in the relevant C (Additional Senior Financing) Facility Commitment Letter. No additional Events of Default may be specified in any C (Additional Senior Financing) Facility Commitment Letter.

22.1 Payment Default

(a) Any Obligor fails to pay when due any interest or principal payable by it under any of the Finance Documents or any of the Mezzanine Finance Documents unless the failure is solely due to administrative or technical error and payment is made in such circumstances and payment is made within three Business Days of its due date.

(b) Any Obligor fails to pay when due any fee or other amounts due under the Finance Documents or any of the Mezzanine Finance Documents (in this case following notification of payment default to the relevant Mezzanine Obligor) at the place and in the currency at or in which it is expressed to be payable within five Business Days of its due date.

(c) However, in the case of a failure to make a payment to Coditel Debt, there shall not be an Event of Default under either paragraph (a) or paragraph (b) above if the reason for the failure to make that payment is that it is prohibited to be made under the Finance Documents.

22.2 Financial Covenants

The financial condition of the Group fails to comply with any provision of Clause 19 (*Financial Condition*) or any other requirement of Clause 19 (*Financial Condition*) is not satisfied. Such failure will be deemed to be remedied if (i) such covenant is complied with at the next Quarter Date (provided no action has been taken by the Agent or the Lenders under Clause 22.18 (*Acceleration*) prior to such subsequent Quarter Date) or (ii) a Private Equity Contribution has been made to cure the breach in accordance with the provisions of Clause 19 (*Financial Condition*).

22.3 Breach of Obligations

Any Obligor fails to observe or perform any of its obligations or undertakings under any of the Finance Documents (other than those specified in Clause 22.1 (*Payment Default*)) and 22.2 (*Financial Covenants*) and, if such failure is, in the opinion of the Agent (acting reasonably), capable of remedy, it is not remedied within 21 Business Days of the earlier of (x) the Agent giving written notice to the Company and (y) such Obligor becoming aware of the relevant matter.

22.4 Misrepresentation

Any representation, warranty or written statement which is made by any Obligor in any of the Finance Documents or is contained in any certificate, statement or notice provided under or pursuant to any of the Finance Documents proves to be incorrect in any respect when made (or when deemed to be made or repeated) unless the circumstances giving rise to that default are capable of remedy and are remedied within 21 Business Days of the earlier of (x) such Obligor becoming aware of the relevant matter or (y) the Agent giving written notice to the Company.

22.5 Invalidity and Unlawfulness

Any material provision of any Transaction Document is or becomes invalid or unlawful or (subject to the Reservations) unenforceable or any Obligor (or other relevant party) repudiates or rescinds or evidences an intention to repudiate or rescind a Finance Document, in each case, in any way which is materially adverse to the interests of the Lenders under the Finance Documents.

22.6 Cross Default

(a) Any Financial Indebtedness (other than Financial Indebtedness outstanding under any Finance Document) of a member or members of the Group in excess of €15,000,000 or its equivalent in other currencies in aggregate:

(i) is not paid when due or within any applicable grace period in any agreement relating to that Financial Indebtedness; or

(ii) becomes due and payable (or capable of being declared due and payable) before its normal maturity or is placed upon demand (or any commitment for any such indebtedness is cancelled or suspended) by reason of a default or event of default, however described.

Provided that, in the case of a failure to make a payment to Coditel Debt, there shall not be an Event of Default under paragraph (i) above if the reason for the failure to make that payment is that it is prohibited to be made under the Finance Documents.

(b) Any amount outstanding under any Refinancing Debt (i) becomes prematurely due and payable, (ii) is placed on demand, or (iii) is called or demanded, in each case, as a result of an event of default or any provision having a similar effect (however described) (a "**Refinancing Debt Acceleration Event**").

22.7 Insolvency

(a) Any Obligor or Material Subsidiary is unable (or deemed for the purposes of any applicable Law, unable) or admits inability to pay its debts as they fall due, ceases or suspends generally payment of its debts or announces an intention to do so, or commences negotiations with, or makes a proposal to do so to, any one or more of its creditors with a view to the general readjustment or rescheduling of its Financial Indebtedness or makes a general assignment for the benefit of or a composition, assignment or arrangement with its creditors or a moratorium (*sursis de paiement*) is declared in respect of the Financial Indebtedness of any Obligor or Material Subsidiary (i) unless

such event is remedied with 21 Business Days in relation to proceedings contested in good faith (or any other period agreed between the Company and the Lenders) and (ii) with the exception of solvent reorganisations which are otherwise not prohibited transactions.

(b) Any Obligor or Material Subsidiary which conducts business in France is in a state of *cessation des paiements*, or any Obligor, Material Subsidiary becomes insolvent for the purpose of any insolvency law.

22.8 Winding-up

Any Obligor or Material Subsidiary (except as part of a Permitted Restructuring) takes any corporate action or other steps or procedures are taken or legal proceedings are started for its winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or similar proceedings ("*toute procédure d'alerte, de sauvegarde, de réglement amiable, de conciliation, de redressement, cession totale de l'entreprise, règlement ou liquidation judiciaire, de constatation de l'insolvabilité*") or for the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, conservator, custodian, trustee, *conciliateur*, *administrateur provisoire*, *mandataire ad hoc* or similar officer of it or of any or all of its revenues and assets.

22.9 Execution or Distress

Any execution, expropriation, attachment, sequestration or distress is levied against, or an encumbrances takes possession of, or any of the enforcement proceedings provided for in French law n° 91 650 of July 9, 1991 (or analogous proceedings and actions elsewhere) affect, the whole or any part of, the property, undertaking or assets of any Obligor or Material Subsidiary in any case to the extent it is reasonably likely to have a Material Adverse Effect and the same although contested in good faith and by appropriate proceedings is not discharged within 45 days.

22.10 Similar Events Elsewhere

There occurs in relation to an Obligor or Material Subsidiary or any of its assets in any country or territory in which it is incorporated or carries on business or to the jurisdiction of whose courts it or any of its assets is subject any event which the Agent reasonably considers to correspond in that country or territory with any of those mentioned in Clause 22.7 (*Insolvency*) or 22.8 (*Winding-up*).

22.11 Adverse Judgments

Any member of the Group fails to comply with a final judgment which is reasonably likely to have a Material Adverse Effect.

22.12 Nationalisation

By or under the authority of any government:

(a) the management of any Obligor or Material Subsidiary is wholly or partially displaced or the authority of any Obligor or Material Subsidiary in the conduct of its business is wholly or partially curtailed; or

(b) all or a majority of the issued shares of any Obligor or Material Subsidiary or the whole or any material part of its revenues or assets is seized, nationalised, expropriated or compulsorily acquired, unless full market value compensation is provided by such government.

22.13 Cessation of Business

The Group taken as a whole ceases to carry on all or a substantial part of its business other than as a result of a Permitted Restructuring or a disposal permitted under this Agreement.

22.14 Auditor's Qualification

The auditors qualify their report on the audited consolidated financial statements of the Company in relation to the accuracy of information given or access provided to the auditors or the ability of the Company to continue as a going concern (other than a qualification of a technical nature which is not material to the financial position of the Group).

22.15 Material Adverse Effect

At any time there occurs an event or circumstance which has or is reasonably likely to have a Material Adverse Effect.

22.16 Intercreditor Default

Any party to the Intercreditor Agreement (other than a Finance Party) fails to comply with the material provisions of, or does not perform its material obligations under, the Intercreditor Agreement unless such breach is remedied within 21 Business Days.

22.17 Mezzanine Facilities and Senior Subordinated Notes

(a) Any event of default (howsoever described) occurs under the Mezzanine Facility Agreement.

(b) Any event of default (howsoever described) occurs under any Senior Subordinated Notes (unless such event of default has been cured, or waived by the relevant Senior Subordinated Noteholders or the relevant Senior Subordinated Notes Trustee).

(c) Any party (other than a Finance Party) to a Senior Subordinated Notes Intercreditor Deed does not comply with the terms of that Senior Subordinated Notes Intercreditor Deed in any material respect or a representation or warranty given by any party (other than a Finance Party) to a Senior Subordinated Notes Intercreditor Deed is incorrect in any material respect, and, if the non-compliance or circumstances giving rise to the misrepresentation or breach of warranty are capable of remedy, such non-compliance is or circumstances are not remedied within 21 Business Days of the earlier of the Agent giving notice to that party of and that party becoming aware of the non-compliance or misrepresentation or breach of warranty.

(d) Subject to the Reservations, a Senior Subordinated Notes Intercreditor Deed is not effective (following its execution by all parties thereto) or is alleged by a party to it (other than a Finance Party) to be ineffective in a way which is materially adverse to the interests of the Lenders under the Finance Documents (taken as a whole).

(e) Any party (other than a Finance Party) to a Senior Subordinated Notes Intercreditor Deed repudiates that Senior Subordinated Notes Intercreditor Deed or evidences an intention to repudiate it in a way which is materially adverse to the interests of the Lenders under the Finance Documents (taken as a whole).

22.18 Acceleration

(a) Upon the occurrence of an Event of Default and while the same is continuing at any time thereafter, the Agent may (and, if so instructed by the Instructing Group (excluding the Second Lien Facility Lenders in respect of a Senior Rights Event of Default or a Second Lien Rights Event of Default) shall) without *mise en demeure* or any other judicial or extra-judicial step, by

written notice to the Company but subject to the mandatory provisions of articles L.620-1 to L.644-6 of the French Commercial Code:

(i) declare all or any part of the Outstandings to be immediately due and payable (whereupon the same shall become so payable together with accrued interest thereon and any other sums then owed by any Obligor under the Finance Documents) or declare all or any part of the Outstandings to be due and payable on demand of the Agent; and/or

(ii) declare that any unutilised portion of the Facilities shall be cancelled, whereupon the same shall be cancelled and the Commitments of each Lender shall be reduced to zero; and/or

(iii) exercise or direct the Security Agent to exercise any rights and remedies; and/or

(iv) declare that full cash cover in respect of each or any Letter of Credit made available under the Additional Revolving Facility is immediately due and payable, whereupon it shall become immediately due and payable; and/or

(v) declare that full cash cover in respect of each or any Letter of Credit made available under the Additional Revolving Facility is payable on demand, whereupon it shall immediately become payable on demand by the Agent on the instructions of the Instructing Group.

(b) Promptly after being notified by the Agent of the service of notice under paragraph (a) of this Clause 22.18 *(Acceleration)* above, each Ancillary Lender shall (if the Agent so directs) by notice to the Company:

(i) cancel all or any part of its Ancillary Commitments, whereupon it shall immediately be cancelled;

(ii) declare that all or the corresponding part of the utilisations under any Ancillary Facility provided by that Ancillary Lender, together with accrued interest, full cash cover in respect of all or the corresponding part of the contingent liabilities of that Ancillary Lender under that Ancillary Facility, and all or the corresponding part of all other amounts accrued or outstanding in respect of that Ancillary Facility be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(iii) declare that all or the corresponding part of the utilisations under any Ancillary Facility provided by that Ancillary Lender, together with accrued interest, full cash cover in respect of all or the corresponding part of the contingent liabilities of that Ancillary Lender under that Ancillary Facility, and all or the corresponding part of all other amounts accrued or outstanding in respect of that Ancillary Facility be payable upon demand, whereupon they shall immediately become payable on demand by that Ancillary Lender (acting on the instructions of the Agent).

(c) On and at any time after the occurrence of a Second Lien Rights Event of Default, the Second Lien Agent may, and shall if so directed by the Majority Second Lien Facility Lenders, by notice to the Company:

(i) cancel the Second Lien Facility Commitments whereupon they shall immediately be cancelled;

(ii) declare that all or part of the Outstandings under the Second Lien Facility, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents in relation to the Second Lien Facility be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(iii) declare that all or part of the Outstandings under the Second Lien Facility be payable on demand, whereupon they shall immediately become payable on demand by the Second Lien Agent on the instructions of the Majority Second Lien Facility Lenders.

(d) If an Event of Default described in paragraph (b) of Clause 22.6 (*Cross Default*) is continuing (in respect of the Refinancing Debt which corresponds to the relevant C (Additional Senior Financing) Facility tranche), the Agent will, without mise en demeure or any other judicial or extra-judicial step, if so directed by the relevant C (Additional Senior Financing) Facility Lender (or Refinancing Directing Representative, as the case may be), whether or not the Agent has served a notice under paragraph (a) above, by notice in writing to the Company, but subject to the mandatory provisions of articles L.620-1 to L.644-6 of the French Code de Commerce:

(i) cancel all or any part of the corresponding C (Additional Senior Financing) Facility Commitments; and/or

(ii) declare that all or any part of any amounts outstanding under the corresponding C (Additional Senior Financing) Facility tranche together with accrued interest thereon and any other sums then owed by any Obligor in respect of the corresponding C (Additional Senior Financing) Facility tranche under the Finance Documents are:

(A) immediately due and payable; and/or

(B) payable on demand by the C (Additional Senior Financing) Facility Lender; and/or

(iii) make a claim under Clause 24 (*Guarantee and Indemnity*) for all or any part of the amounts outstanding under the corresponding C (Additional Senior Financing) Facility tranche together with accrued interest thereon and any other sums then owed by any Obligor in respect of the corresponding C (Additional Senior Financing) Facility tranche under the Finance Documents.

22.19 Repayment on Demand

(a) If, pursuant to paragraph (a) of Clause 22.18 (*Acceleration*), the Agent declares all or any part of the Outstandings to be due and payable on demand of the Agent, then, and at any time thereafter, the Agent may (and, if so instructed by an Instructing Group (excluding the Second Lien Facility Lenders in respect of a Senior Rights Event of Default or a Second Lien Rights Event of Default), shall) by written notice to the Company:

(i) require repayment of all or the relevant part of the Utilisations on such date as it may specify in such notice (whereupon the same shall become due and payable on such date together with accrued interest thereon and any other sums then owed by any Obligor under the Finance Documents) or withdraw its declaration with effect from such date as it may specify in such notice; and/or

(ii) select as the duration of any Interest Period which begins whilst such declaration remains in effect a period of six months or less.

(b) On and at any time after the occurrence of a Second Lien Rights Event of Default, the Second Lien Agent may, and shall if so directed by the Majority Second Lien Facility Lenders, by notice to the Company:

(i) cancel the Second Lien Facility Commitments whereupon they shall immediately be cancelled;

(ii) declare that all or part of the Outstandings under the Second Lien Facility, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents in relation to the Second Lien Facility be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(iii) declare that all or part of the Outstandings under the Second Lien Facility be payable on demand, whereupon they shall immediately become payable on demand by the Second Lien Agent on the instructions of the Majority Second Lien Facility Lenders.

(c) If, pursuant to paragraph (d) of Clause 22.18 (*Acceleration*), the Agent declares all or any part of the Outstandings under a C (Additional Senior Financing) Facility tranche to be due and payable on demand of the relevant C (Additional Senior Financing) Facility Lender, then, and at any time thereafter, the relevant C (Additional Senior Financing) Facility Lender may by written notice to the Company:

(i) require repayment of all or the relevant part of the Advances under the relevant C (Additional Senior Financing) Facility tranche on such date as it may specify in such notice (whereupon the same shall become due and payable on such date together with accrued interest thereon and any other sums then owed by any Obligor under the Finance Documents in respect of such C (Additional Senior Financing) Facility tranche or withdraw its declaration with effect from such date as it may specify in such notice; and/or

(ii) select as the duration of any Interest Period which begins whilst such declaration remains in effect a period of six months or less.

22.20 Clean-up Period

In respect of circumstances affecting the Target and its Subsidiaries during the first 4 months following the Acquisition Closing Date (the "**Clean-up Period"**) and which would otherwise constitute an Event of Default or Potential Event of Default and which:

(a) are capable of being cured (and, if the Company is aware of such circumstance, reasonable efforts are being used to ensure the same);

(b) have not been procured by the Company or any of its Subsidiaries other than the Target and its Subsidiaries; and

(c) would not have a Material Adverse Effect,

then, during the Clean-up Period such circumstances will not constitute an Event of Default or Potential Event of Default (in each case until after the end of the Clean-up Period).

23. DEFAULT INTEREST

23.1 Consequences of Non-Payment

If any sum due and payable by an Obligor hereunder is not paid on the due date therefore in accordance with the provisions of Clause 28 (*Payments*) or if any sum due and payable by an Obligor pursuant to a judgment of any court in connection herewith is not paid on the date of such judgment, the period beginning on such due date or, as the case may be, the date of such judgment and ending on the Business Day which the obligation of such Obligor to pay the Unpaid Sum is discharged shall be divided into successive periods, each of which (other than the first) shall start on the last day of the preceding such period (which shall be a Business Day) and the duration of each of which shall (except as otherwise provided in this Clause 23) be selected by the Agent.

23.2 Default Rate

During each such period relating thereto as is mentioned in Clause 23.1 (*Consequences of Non-Payment*) an Unpaid Sum shall bear interest at the rate per annum which is the sum from time to time of one per cent., the Applicable Margin (provided that if any Unpaid Sum is not directly referable to a particular Facility the Applicable Margin shall be the A Facility Margin), any other amounts which were to accrue in respect of that Unpaid Sum in accordance with paragraphs (b), (d) and/or (e) of Clause 9.6 (*Interest Rate for Advances*), the Mandatory Cost in respect thereof at such time (unless, in the case of C (Additional Senior Financing) Facility Advances, the Mandatory Cost does not apply thereto) and EURIBOR or, in the case of Utilisations denominated in an Optional Currency, LIBOR

or, in the case of C (Additional Senior Financing) Facility Advances in respect of which a fixed rate basis for interest applies, that fixed rate basis on the Quotation Date therefor, provided that:

(a) if, for any such period, EURIBOR or, as applicable, LIBOR cannot be determined (and the rate is not being determined in respect of a C (Additional Senior Financing) Facility Advance in respect of which a fixed rate basis for interest applies), the rate of interest applicable to each Lender's portion of such Unpaid Sum shall be the rate per annum which is the sum of one per cent., the Applicable Margin, (as aforesaid), and the Mandatory Cost in respect thereof at such time (unless, in the case of C (Additional Senior Financing) Facility Advances, the Mandatory Cost does not apply thereto) and the rate per annum shall be that notified to the Agent by such Lender as soon as practicable after the beginning of such period as being that which expresses as a percentage rate per annum the cost to such Lender of funding from whatever sources it may select its portion of such Unpaid Sum during such period; and

(b) if such Unpaid Sum is all or part of an Advance which became due and payable on a day other than the last day of an Interest Period relating thereto, the first such period applicable thereto shall be of a duration equal to the unexpired portion of that Interest Period and the rate of interest applicable thereto from time to time during such period shall be that which exceeds by one per cent. the rate which would have been applicable to it had it not so fallen due.

23.3 Maturity of Default Interest

Any interest which shall have accrued under Clause 23.2 (*Default Rate*) in respect of an Unpaid Sum shall be due and payable and shall be paid by the Obligor owing such sum at the end of the period by reference to which it is calculated or on such other dates as the Agent may specify by written notice to such Obligor.

23.4 Construction of Unpaid Sum

Any Unpaid Sum shall (for the purposes of this Clause 23 (*Default Interest*), Clause 13 (*Increased Costs*), Clause 26 (*Borrower's Indemnities*) and Schedule 5 (*Mandatory Cost Formulae*) be treated as an advance and accordingly in those provisions the term "Advance" includes any Unpaid Sum and the term "Interest Period", in relation to an Unpaid Sum, includes each such period relating thereto as is mentioned in Clause 23.1 (*Consequences of Non-Payment*).

23.5 C (Additional Senior Financing) Facility

Notwithstanding any other provisions of this Clause 23, in relation to any Unpaid Sum with respect to a C (Additional Senior Financing) Facility tranche, the relevant Obligor will pay default interest from the due date of such Unpaid Sum to the date of actual payment (after as well as before judgment) on the basis of the rates (and in the manner and at the times) specified for overdue amounts in respect of the Refinancing Debt which was used to fund, acquire, participate in and/or refinance that C (Additional Senior Financing) Facility tranche.

24. GUARANTEE AND INDEMNITY

24.1 Guarantee

Each Guarantor irrevocably and unconditionally guarantees, jointly and severally, to each of the Finance Parties, the due and punctual payment by the Obligors of all sums payable under the Finance Documents and agrees to pay to the Agent from time to time promptly on demand each and every sum of money which any such Obligor is at any time liable to pay to any Finance Party under or pursuant to any Finance Document and which has become due and payable but has not been paid.

24.2 Indemnity

Each Guarantor irrevocably and unconditionally agrees, jointly and severally, as a primary obligation and not as a surety, to indemnify and hold harmless each Finance Party from time to time on demand by the Agent from and against any loss incurred by such Finance Party as a result of any of the obligations of any Obligor under or pursuant to any Finance Document being or becoming void, voidable, unenforceable or ineffective as against such Obligor for any reason whatsoever, whether or not known to any Finance Party or any other person, the amount of such loss being the amount which the Finance Party suffering it would otherwise have been entitled to recover from such Obligor.

24.3 Independent Obligations

The obligations of each Guarantor herein contained shall be in addition to and independent of and shall not prejudice or merge with, any other security (or right of set-off) which any Finance Party may at any time hold in respect of any Obligor's obligations under the Finance Documents.

24.4 Continuing Obligations

(a) The obligations of each Guarantor herein contained shall constitute and be continuing obligations which shall not be released or discharged by any intermediate payment or settlement of all or any of the obligations of the Obligors under the Finance Documents and shall continue in full force and effect until the unconditional and irrevocable payment and discharge in full of all amounts owing by the Obligors under the Finance Documents and full satisfaction of all the Obligors' actual and contingent obligations hereunder.

(b) The parties agree that the obligations of each Guarantor shall survive and not be affected by any Permitted Restructuring which relates to them. In particular, the obligations of AFE as guarantor (and Borrower) shall be assumed by the Company and the obligations of NC Numéricâble and Numéricâble shall be assumed by Est Videocom on completion of the relevant mergers without any need for any consent, deed, document or other action.

24.5 Waiver of Defences

Neither the obligations of the Guarantors herein contained nor the rights, powers and remedies conferred on the Finance Parties by this Clause 24 or by Law shall be discharged, impaired or otherwise affected by:

(a) the winding-up, dissolution, administration or re-organisation of any Obligor or any other person or any change in any such Obligor's or person's status, function, control or ownership;

(b) any of the obligations of any Obligor or any other person to any Finance Party being or becoming illegal, invalid, unenforceable or ineffective in any respect;

(c) any time or other indulgence being granted to or agreed to with any Obligor or any other person in respect of its obligations under any Finance Documents;

(d) any amendment to, or any variation, waiver or release of, any obligation of any Obligor or any other person under any Finance Document;

(e) any total or partial failure to take, or perfect, any security contemplated hereby or otherwise agreed to be taken in respect of any Obligor's obligations under the Finance Documents;

(f) any total or partial failure to realise the value of, or any release, discharge, exchange or substitution of, any security taken by any Finance Party in respect of any Obligor's obligations under any Finance Document; or

(g) any other act, event or omission which might operate to discharge, impair or otherwise affect any of the obligations of any of the Guarantors under this Clause 24 or any of the rights, powers or remedies conferred upon the Finance Parties or any of them by the Finance Documents or by Law.

24.6 Avoidance of Payments

Where any release, discharge or other arrangement in respect of any obligation of any Obligor or any Security any Finance Party may hold therefore, is given or made in reliance on any payment or other disposition which is avoided or must be repaid (whether in whole or in part) in an insolvency, liquidation or otherwise and whether or not any Finance Party has conceded or compromised any claim that any such payment or other disposition will or should be avoided or repaid (in whole or in part), the provisions of this Clause 24 shall continue as if such release or discharge or other arrangement had not been given or made.

24.7 Exercise of Rights

None of the Finance Parties shall be obliged before exercising or enforcing any of the rights conferred upon them in respect of the Guarantors by the Finance Documents or by Law to seek to recover amounts due from any Obligor or to exercise or enforce any other rights or Security any of them may have or hold against any of the Obligors or any other person.

24.8 No Competition

Each Guarantor agrees that, so long as any amounts are or may be owed by any Obligor under any Finance Document, any Obligor is under any actual or contingent obligation under any Finance Document or any Lender has any Available Commitment hereunder, any rights which any Guarantor may at any time have (a) by way of contribution or indemnity from any Obligor or (b) to claim or prove as a creditor of any Obligor or any other person or its estate in competition with the Finance Parties or any of them, shall be exercised by such Guarantor only if and to the extent that the Agent so requires and in such manner and upon such terms as the Agent may specify and each Guarantor shall hold any monies, rights or Security at any time held or received by it as a result of the exercise of any such rights on trust for the Agent for application in or towards payment of any sums at any time owed by the Obligors or any of them hereunder as if such monies, rights or Security were held or received by the Agent under the Finance Documents.

24.9 Suspense Account

All monies received, recovered or realised by any of the Finance Parties by virtue of Clause 24.1 (*Guarantee*) or Clause 24.2 (*Indemnity*) may, in the relevant Finance Party's discretion, be credited to a suspense or impersonal account and held in such account pending the application from time to time (as such Finance Party may think fit) of such monies in or towards the payment and discharge of any amounts owing by the Obligors to such Finance Party hereunder.

24.10 Automatic Release

If any Guarantor is permitted to be disposed of pursuant to Clause 21.2 (*Disposals*) the relevant Guarantor shall upon such disposal be automatically released from its obligations hereunder as Guarantor (but not as Borrower unless the relevant Outstandings have been repaid or prepaid in full to the satisfaction of the Agent) and the Agent is directed to take all such action required in order to effect such release.

24.11 Guarantee Limitation

The obligations of each Guarantor shall, in respect of the obligations of any Obligor which is not a Subsidiary of that Guarantor, be limited as follow:

(a) in respect of any French Guarantor, the guarantee given hereunder shall relate (i) to amounts due under the Capital Investment Facility, (ii) in respect of AFE only, to the A (Acq) 2 Facility and (iii) in the case of the relevant members of the Target Group, to the A (Acq) 1 Facility and the B (Acq) 2 Facility (provided that in the case of the B (Acq) 2 Facility the guarantee of each such Obligor shall relate only to the proportion of the B (Acq) 2 Facility equal to the B (Acq) 2 Facility Loan identified in the relevant Utilisation Request as being made for the purpose of refinancing existing indebtedness as a proportion of the aggregate amount of B (Acq) 2 Facility Loans made available on the Acquisition Closing Date), and:

(i) shall not extend to cover any indebtedness which, if they did so extend, would (x) constitute misuse of corporate assets as defined under article L. 242-6 of the French Commercial Code or (y) cause the infringement of article L. 225-216 of the French Commercial Code;

(ii) shall be limited to a guarantee of the obligations of any Obligor under the Finance Documents, up to an amount equal to the aggregate amounts outstanding under the On-Lending Facilities made available to such French Guarantor, and its Subsidiaries and decreased by the amounts (including all interest, commissions, costs, fees, expenses and other sums accruing or payable in connection with such amounts) which have been lent (to the extent such amounts are outstanding) by such French Guarantor or its Subsidiaries to any other member of the Group,

provided that in the event of a payment to any Finance Party by the French Guarantor under such guarantee the outstanding payment obligations of such Guarantor under such On-Lending Facilities shall be deemed to be reduced pro tanto for the purpose of this Clause.

For the purpose of this Clause, "**On-Lending Facilities**" means, in respect of a French Guarantor, the loans made available to such French Guarantor by any Borrower (including all interest, commissions, costs, fees, expenses and other sums accruing or payable in connection with such amount) to the extent that such loans are financed by way of amounts which are made available to any Borrower (other than such French Guarantor) pursuant to the Capital Investment Facility, and lent (either directly or through one or more other Subsidiaries of that Borrower) to such French Guarantor; and

(iii) in no event shall the guarantee of AFE extend to any obligations of the Company under the B (Acq) 1 Facility.

(b) In respect of any Guarantor incorporated in Belgium, the guarantee given hereunder:

(i) shall not include any liability which would constitute unlawful financial assistance (as determined in article 329 of the Belgian Company Code); and

(ii) will relate in the case of (A) Coditel Brabant to the A (Recap) Facility, the A (Acq) Facility and the B (Recap) Facility (but excluding any amounts guaranteed thereunder by its Subsidiaries to the extent a payment is made by such Subsidiary under the guarantee) and (B) ENO Belgium SPRL to the A (Acq) 1 Facility (but not the A (Acq) 2 Facility) and in each case, shall be limited to a maximum aggregate amount equal to the lesser of (x) ninety per cent. of such Belgian Guarantor's net assets (as defined in article 320 of the Belgian Company Code) as shown in its most recent audited annual financial statements as approved at its meeting of shareholders, and (y) the aggregate of the

amounts, either directly or through one or more other Obligors, made available to such Belgian Guarantor pursuant to any of the Facilities granted hereunder (increased by all interest, commissions, costs, fees, expenses and other sums accruing or payable in connection with such amount).

(c) In respect of any Guarantor incorporated under the laws of Luxembourg (a "**Luxembourg Guarantor**"), the guarantee given hereunder:

(i) shall not exceed to cover any indebtedness which, if they did so extend would constitute (A) an illegal financial assistance (to the extent the Guarantor is a société anonyme), and (B) a misuse of corporate assets as defined under article 171-1 of the Luxembourg law on commercial companies dated 10 August 1915 as amended; and

(ii) the guarantee only applies and will be enforceable towards the Luxembourg Guarantors up to an amount equal to the lesser of (x) the aggregate of the amounts which are made available to any Obligor pursuant to any of the Facilities granted hereunder and thereafter lent (either directly or throught one or more other Obligors hereunder) to such Luxembourg Guarantor (increased by all interest, commission, costs, fees, expenses and other sums accruing or payable in connection with such amount), provided that in the event of a payment to any Finance Party by the Luxembourg Guarantor under such guarantee the payment obligations of such Guarantor under the on-lending facility shall be reduced pro tanto and (y) an amount of eighty per cent of the relevant Luxembourg Guarantor's net equity (*fonds propres*) (including the share capital, share premium, legal and statutory reserves, other reserves, profits or losses carried forward (reducing such amount), investment subsidies and regulated provisions) as shown on the latest financial statements available at the date of the relevant payment and approved by the companies' shareholders and certified by the statutory or the independent auditor, as the case may be.

(d) For the avoidance of doubt, the limitations in paragraphs (a) to (c) above do not apply to the obligations of a Guarantor in respect of any obligations of an Obligor which is its Subsidiary.

24.12 Changes to Obligors

(a) A Subsidiary of the Company may become a Borrower of the Capital Investment Facility on or after the Initial Closing Date if:

(i) the Company gives notice to the Agent identifying the relevant Subsidiary, attaching certified copies of such Subsidiary's most recent audited (to the extent prepared, or if not so prepared, unaudited) accounts;

(ii) except in the case of a wholly-owned Subsidiary incorporated in France, Luxembourg or Belgium, for which no consent shall be required, all the Lenders confirm to the Agent that they consent to the relevant Subsidiary becoming a Borrower;

(iii) the relevant Subsidiary, the Company (for itself and as agent for the existing Obligors), the Agent and the Security Agent execute an Accession Document designating that Subsidiary as a Borrower and a Guarantor; and

(iv) The Company delivers to the Agent:

(A) the original executed Accession Document; and

(B) the documents listed in Part V of Schedule 3 (*Conditions Precedent*), each in relation to the acceding Borrower; and

each satisfactory to the Agent (acting reasonably), in relation to Security Documents in accordance with the Agreed Security Principles.

(b) When the conditions set out in Clause 24.12(a) are satisfied, the Agent will notify the Company and the Finance Parties and the relevant Subsidiary will become a Borrower with effect from that notification.

(c) Subject to paragraph (e) below, the Company shall procure that:

(i) any Material Subsidiary which is not a Guarantor shall become a Guarantor by executing an Accession Document within ten Business Days of it becoming a Material Subsidiary (or within 90 days in the case of a Material Subsidiary acquired as a result of a Permitted Acquisition) or in the case of the Target and its Subsidiaries which are Material Subsidiaries as soon as practicable after the Acquisition Closing Date and in any event not later than 30 days after the Acquisition Closing Date (or 60 days if the Acquisition Closing Date occurs prior to 15 August) save to the extent they accede as Borrowers prior to such date in which case they shall grant security and guarantees on the date they accede as Borrowers); and

(ii) ENO Belgium S.p.r.l. shall become a Guarantor on the Initial Closing Date by executing an Accession Document on or before such date.

(d) The Company shall, subject to paragraph (e) below, ensure that the consolidated EBITDA and consolidated gross assets of the Guarantors together represents not less than 80% of the EBITDA and the gross assets (in each case, consolidated where it has subsidiaries) of the members of the Group which are able (subject to the Agreed Security Principles) to guarantee Outstandings under one or more of the Facilities, as at the Initial Closing Date and within 30 days of the Acquisition Closing Date (or 60 days if the Acquisition Closing Date occurs prior to 15 August). The Company shall provide on the Initial Closing Date and the Acquisition Closing Date a certificate listing the entities of the Group which are or shall become Guarantors in accordance with paragraph (c).

(e) Paragraph (c) above shall not apply when the giving of such a guarantee:

(i) is prohibited by law (having undertaken all relevant whitewash and analogous procedures); or

(ii) is prohibited by any security documents permitted by Clause 21.5 (*Negative Pledge*) (but this exception shall only apply to an acquired company or any of its Subsidiaries).

(f) When an Accession Document is entered into under paragraph (c) above, the Company shall deliver to the Agent:

(i) the original Accession Document executed by the relevant new Obligor, the Company (for itself and as agent for the existing Obligors), the Agent and the Security Agent; and

(ii) the documents listed in Part V of Schedule 3 (*Conditions Precedent*), each in relation to the acceding Guarantor,

each satisfactory to the Agent (acting reasonably), in relation to Security Documents in accordance with the Agreed Security Principles.

(g) If it is unlawful for a Subsidiary to become a Guarantor under this Clause 24.12, then each Obligor will use all reasonable endeavours to overcome the prohibition (and, in the case of a financial assistance or similar prohibition, will procure that the relevant Subsidiary will undertake all whitewash or similar procedures which are possible) to enable the relevant guarantee and/or security to be given to the fullest extent lawful as soon as is reasonably practicable.

(h) A wholly-owned Subsidiary of the Company (which is not already a Borrower) may become a Borrower under an Additional Revolving Facility Tranche on or after the Fifth Amendment Agreement Effective Date if:

(i) the Company gives notice to the Agent identifying the relevant Subsidiary, attaching certified copies of such Subsidiary's most recent audited (to the extent prepared, or if not so prepared, unaudited) accounts (if any);

(ii) all the Additional Revolving Facility Lenders under the relevant Additional Revolving Facility Tranche confirm to the Agent that they consent to the relevant Subsidiary becoming a Borrower under the relevant Additional Revolving Facility Tranche;

(iii) the relevant Subsidiary, the Company (for itself and as agent for the existing Obligors), the Agent and the Security Agent execute an Accession Document designating that Subsidiary as a Borrower under the relevant Additional Revolving Facility Tranche and a Guarantor; and

(iv) the Company delivers to the Agent:

(A) the original executed Accession Document; and

(B) the documents listed in Part V of Schedule 3 (*Conditions Precedent*), each in relation to the acceding Borrower,

each satisfactory to the Agent (acting reasonably), in relation to Security Documents in accordance with the Agreed Security Principles.

(i) When the conditions set out in Clause 24.12(h) are satisfied, the Agent will notify the Company and the Additional Revolving Facility Lenders under the relevant Additional Revolving Facility Tranche and the relevant Subsidiary will become a Borrower under the relevant Additional Revolving Tranche with effect from that notification.

(j) It is acknowledged that no Senior Subordinated Issuer shall be required to accede to the Finance Documents (other than the Senior Subordinated Notes Intercreditor Deed and the Fifth Amendment Security Documents to be entered into by it) as an Obligor but references to "Obligor" in this Agreement shall be deemed to include a reference to the Senior Subordinated Issuer to the extent set out in the definition of "Obligor", any obligation of the Senior Subordinated Issuer as an Obligor shall be considered to be an obligation of the Parent to procure that the Senior Subordinated Issuer respects that obligation and any representation or warranty to be made by the Senior Subordinated Issuer shall be deemed to be a representation or warranty made by the Parent in respect of it.

25. AGENT, SECOND LIEN AGENT AND OBLIGORS' AGENT

25.1 Appointment of the Agent

(a) Each of the Arrangers and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents and authorises the Agent to exercise the rights, powers, authorities and discretions specifically delegated to it under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

(b) Each other Finance Party authorises each of the Agent and the Arranger to agree, accept and sign on its behalf the terms of any reliance or engagement letter in relation to any Report or any other report or letter provided by any person in connection with the Transaction Documents or the transactions contemplated in them (including any net asset letter in connection with financial assistance procedures).

(c) The other Lenders hereby irrevocably authorise (i) the Agent to sign on their behalf and (ii) the Agent and the Security Agent to sign for their own account any Senior Subordinated Notes Intercreditor Deed in connection with any issuance of Senior Subordinated Notes.

25.2 Appointment of the Second Lien Agent

(a) If, in the opinion of the Agent or the Majority Second Lien Facility Lenders (acting reasonably), a Second Lien Rights Event of Default has occurred, the Agent or the Majority Second Lien Facility Lenders may appoint a Second Lien Agent to act as the agent of the Second Lien Facility Lenders under and in connection with the Finance Documents.

(b) Each Second Lien Facility Lender authorises the Second Lien Agent to exercise the rights, powers, authorities and discretions specifically given to the Second Lien Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions and recognises that upon the appointment of a Second Lien Agent, the Agent shall no longer act on their behalf or take instructions from them.

(c) Any person which is appointed as a Second Lien Agent under paragraph (a) above and becomes a Second Lien Agent shall accede to this Agreement and to the Intercreditor Agreement by delivery to the Security Agent of a duly completed and signed accession agreement in the form required under the Intercreditor Agreement and by the Security Agent executing that accession agreement.

25.3 Duties of the Agent and the Second Lien Agent

(a) The Agent and the Second Lien Agent shall promptly inform each Lender of the contents of any notice or document received by it in its capacity as agent from any of the Obligors hereunder.

(b) The Agent and the Second Lien Agent shall promptly notify the Lenders (including for the avoidance of doubt the C (Additional Senior Financing) Facility Lenders) of the occurrence of any Event of Default or any default by an Obligor in the due performance of or compliance with its obligations under any Finance Document of which it is aware.

(c) If so instructed by the Instructing Group, the Agent shall refrain from exercising any power or discretion vested in it as agent under any Finance Document.

(d) The duties of the Agent and the Second Lien Agent under the Finance Documents are solely mechanical and administrative in nature.

(e) The Agent shall have no obligation to verify that the votes, abstentions and/or instructions given or not given by a C (Additional Senior Financing) Facility Lender reflect the directions given by Funders.

25.4 Role of the Arrangers

(a) Except as specifically provided in the Finance Documents, the Arrangers shall have no obligations of any kind to any other party under or in connection with any Finance Document.

(b) No Arranger, other than a Mandated Lead Arranger, shall have any discretionary rights under the Finance Documents.

(c) The Mandated Lead Arrangers may appoint additional Arrangers following the date hereof and each additional Arranger and each of the other parties to this Agreement shall have the same rights and obligations amongst themselves as they would have had if such additional Arranger had been an original party hereto as an Arranger.

25.5 No Fiduciary Duties

(a) Nothing in the Finance Documents constitutes the Agent, the Second Lien Agent or the Arrangers as a trustee or fiduciary of any other person (save as otherwise expressly set out in any Finance Document).

(b) Neither the Agent, the Second Lien Agent nor the Arrangers shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

25.6 Business with the Group

The Agent, the Second Lien Agent and the Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

25.7 Discretion of the Agent and the Second Lien Agent

(a) The Agent and the Second Lien Agent may rely on:

(i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent and the Second Lien Agent may assume, unless it has received notice to the contrary in its capacity as agent for the Lenders, that:

(i) no Default has occurred;

(ii) any right, power, authority or discretion vested herein upon any party, the Lenders or the Instructing Group has not been exercised; and

(iii) any notice or request made by the Company is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent and the Second Lien Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Agent and the Second Lien Agent may act in relation to the Finance Documents through its personnel and agents.

25.8 Instructing Group's Instructions

(a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) act in accordance with any instructions given to it by the Instructing Group (or, if so instructed by the Instructing Group, refrain from acting or exercising any right, power, authority or discretion vested in it as Agent) and (ii) shall not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with such an instruction of the Instructing Group.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Instructing Group will be binding on all the Finance Parties.

(c) The Agent may refrain from acting in accordance with the instructions of the Instructing Group (or, if appropriate, the Lenders) until it has been reimbursed to its satisfaction or received such security or collateral as it may require for any cost, loss or liability which it may incur in complying with such instructions.

(d) In the absence of instructions from the Instructing Group (or, if appropriate, the Lenders), the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

25.9 Majority Second Lien Facility Lenders' Instructions

(a) Unless a contrary indication appears in a Finance Document, the Second Lien Agent shall (i) exercise any right, power, authority or discretion vested in it as Second Lien Agent in accordance with any instructions given to it by the Majority Second Lien Facility Lenders (or, if so instructed by the Majority Second Lien Facility Lenders, refrain from exercising any right, power, authority or discretion vested in it as Second Lien Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Second Lien Facility Lenders.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Second Lien Facility Lenders will be binding on the Second Lien Agent and all the Second Lien Facility Lenders.

(c) The Second Lien Agent may refrain from acting in accordance with the instructions of the Majority Second Lien Facility Lenders (or, if appropriate, the Second Lien Facility Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

(d) In the absence of instructions from the Majority Second Lien Facility Lenders (or, if appropriate, the Second Lien Facility Lenders), the Second Lien Agent may act (or refrain from taking action) as it considers to be in the best interest of the Second Lien Facility Lenders.

(e) The Second Lien Agent is not authorised to act on behalf of a Second Lien Facility Lender (without first obtaining that Second Lien Facility Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

25.10 No Responsibility

The Agent, the Second Lien Agent and the Arrangers are not:

(a) responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Finance Party or an Obligor or any other person in or in connection with any Finance Document, including the Information Package, any Budget and the Reports; or

(b) responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

25.11 Exclusion of Liability

(a) Without limiting paragraph (b) of this Clause, the Agent and the Second Lien Agent will not be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(b) Each of the Lenders hereby agrees not to take any proceedings, or assert or seek to assert any claim, against any officer, employee or agent of the Agent and the Second Lien Agent in respect of any claim it might have against the Agent and the Second Lien Agent or in respect of any act

or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent and the Second Lien Agent may rely on this Clause.

(c) The Agent and the Second Lien Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by it if it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.

(d) Nothing in this Agreement will oblige the Agent (and the Second Lien Agent) or any Mandated Lead Arranger to satisfy any "know your customer requirement" in relation to the identity of any person on behalf of any Finance Party.

(e) Each Finance Party confirms to the Agent (and the Second Lien Agent) and to each Mandated Lead Arranger that it is solely responsible for any know your customer requirements it is required to carry out and that it may not rely on any statement in relation to those requirements made by any other person.

25.12 Lender's Indemnity

(a) Each Lender shall (in its relevant Proportion) indemnify the Agent from time to time on demand by the Agent against any cost, loss or liability incurred by the Agent (otherwise than by reason of its gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless it has been reimbursed therefore by an Obligor pursuant to the terms of the Finance Documents).

(b) No Second Lien Facility Lender shall indemnify the Agent under paragraph (a) above against any cost, loss or liability incurred by the Agent in acting as Agent under the Finance Documents in relation to any matter arising out of or in connection with any appointment of the Second Lien Agent, any action taken by the Second Lien Agent or the relationship between the Second Lien Agent or any Second Lien Lender and any other Finance Party.

(c) Each Second Lien Facility Lender shall (in proportion to its Available Commitment under the Second Lien Facility and participations in the Advances under the Second Lien Facility then outstanding to the Available Facility in relation to the Second Lien Facility and all the Advances under the Second Lien Facility then outstanding) indemnify the Second Lien Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Second Lien Agent (otherwise than by reason of its gross negligence or wilful misconduct) in acting as Second Lien Agent under the Finance Documents (unless it has been reimbursed by an Obligor pursuant to a Finance Document).

25.13 Resignation

(a) The Agent and the Second Lien Agent may resign and appoint one of its Affiliates acting through an office in France as successor by giving notice to the Lenders and the Company.

(b) Alternatively the Agent and the Second Lien Agent may resign without having designated a successor as agent under paragraph (a) above (and shall do so if so required by the Instructing Group) by giving notice to the Lenders and the Company, in which case the Instructing Group may appoint a successor provided approval of the Company is obtained to such appointment (such approval not to be unreasonably withheld or delayed).

(c) The Company may, on not less than 30 days' prior notice to the Agent, replace the Agent by requiring the Lenders to appoint a replacement Agent, if any amount payable under a Finance Document by a French Obligor becomes not deductible from that French Obligor's taxable income

for French Tax purposes by reason of that amount (i) being paid or accrued to an Agent incorporated, domiciled, established or acting through an office situated in a Non-Cooperative Jurisdiction or (ii) paid to an account opened in the name of that Agent in a financial institution situated in a Non-Cooperative Jurisdiction. In this case, the Agent shall resign and a replacement Agent shall be appointed by the Instructing Group (after consultation with the Company) within 30 days after notice of replacement was given.

(d) If the Instructing Group (or, as the case may be, the Majority Second Lien Lenders) has not appointed a successor in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Agent or, as the case may be, the Second Lien Agent (after consultation with the Company) may appoint a successor (acting through an office in the United Kingdom).

(e) The retiring Agent or, as the case may be, the Second Lien Agent shall, at the Company's cost, make available to its successor such documents and records and provide such assistance as its successor may reasonably request for the purposes of performing its functions as Agent or, as the case may be, the Second Lien Agent under the Finance Documents.

(f) The resignation notice of the Agent or, as the case may be, the Second Lien Agent shall only take effect upon the appointment of a successor.

(g) Upon the appointment of a successor, the retiring Agent or, as the case may be, the Second Lien Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 25. The successor and each of the other parties to this Agreement shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original party.

25.14 Confidentiality

(a) The Agent and the Second Lien Agent (in acting as agent for the Finance Parties) shall be regarded as acting through its respective agency division which in each case shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent or the Second Lien Agent, as the case may be it may be treated as confidential to that division or department and the Agent, or the Second Lien Agent as the case may be, shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, the Finance Parties are not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any Law.

25.15 Facility Office

The Agent and the Second Lien Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

25.16 Lender's Associated Cost Details

Each Lender shall supply the Agent with any information required by the Agent in order to calculate the Mandatory Cost in accordance with Schedule 5 (*Mandatory Cost Formulae*).

25.17 Credit Appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent, the Second Lien Agent and the Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(c) whether that Lender has recourse, and the nature and extent of that recourse, against any party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(d) the adequacy, accuracy and/or completeness of the Information Package, each Budget, the Reports and any other information provided by the Agent, the Second Lien Agent, the Arrangers or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

25.18 Obligors' Agent

(a) Each Obligor irrevocably authorises the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Company on its behalf to supply all information concerning itself, its financial condition and otherwise to the relevant persons contemplated under this Agreement and to give all notices and instructions to execute on its behalf any Finance Document and to enter into any agreement in connection with the Finance Documents notwithstanding that the same may affect such Obligor, without further reference to or the consent of such Obligor; and

(ii) each Finance Party to give any notice, demand or other communication to be given to or served on such Obligor pursuant to the Finance Documents to the Company on its behalf;

and in each such case such Obligor will be bound thereby as though such Obligor itself had supplied such information, given such notice and instructions, executed such Finance Document and agreement or received any such notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, notice or other communication given or made by the Obligors' Agent under any Finance Document, or in connection with this Agreement (whether or not known to any other Obligor and whether occurring before or after such Obligor became an Obligor under this Agreement), shall be binding for all purposes on all other Obligors as if the other Obligors had expressly made, given or concurred with the same. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

25.19 Co-operation with Agent and the Second Lien Agent

Each Lender and each Obligor will co-operate with the Agent and the Second Lien Agent to complete any legal requirements imposed on the Agent and the Second Lien Agent in connection with the performance of its duties under this Agreement and shall supply any information reasonably requested by the Agent and the Second Lien Agent in connection with the proper performance of those duties.

25.20 Conduct of Business by the Finance Parties

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of tax.

25.21 Belgian Security

Each Finance Party acknowledges and agrees that the Security granted by Coditel Brabant pursuant to (i) the floating charge ("*pand op handelszaak*"/"*gage sur fonds de commerce*") over its assets, including any Security that may be created in relation to the same assets upon the exercise of the floating charge mandate, and (ii) the pledge over its trade marks, shall be held by the Security Agent in its own name and for its own account in its capacity as Security Agent and creditor of the parallel debt created pursuant to, and subject to the terms of, clause 1.5 of the relevant pledge agreements.

26. BORROWERS' INDEMNITIES

26.1 General Indemnities

Each Borrower and each Guarantor undertakes to indemnify:

(a) each of the Finance Parties against any cost, claim, loss, expense (including legal fees) or liability, which any of them may sustain or incur as a consequence of the occurrence of any Event of Default;

(b) each Lender against any loss it may suffer or incur as a result of its funding or making arrangements to fund its portion of a Utilisation requested by any Borrower hereunder but not made by reason of the operation of any one or more of the provisions hereof (save as a result of its own negligence or default); and

(c) each Lender against any cost or loss it may suffer including any reduction in the rate of return it would have received but for performing its obligations under this Agreement as a result of any minimum reserve requirements imposed on it by the European Central Bank in relation to making or funding a Utilisation where it is customary in the London interbank market for such costs or losses to be reimbursed or incurred by Borrowers.

26.2 Break Costs

(a) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of any Advance or Unpaid Sum being

paid by that Borrower on a day other than the last day of an Interest Period for that Advance or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

27. CURRENCY OF ACCOUNT

27.1 Currency

Euro is the currency of account and payment for each and every sum at any time due from any Obligor hereunder provided that:

(a) each repayment of any Unpaid Sum (or part thereof) shall be made in the currency in which that Unpaid Sum is denominated on its due date;

(b) interest shall be payable in the currency in which the sum in respect of which such interest is payable was denominated when that interest was accrued;

(c) each payment in respect of costs and expenses shall be made in the currency in which the same were incurred; and

(d) each payment pursuant to Clause 12.2 (*Tax Indemnity*) or Clause 13.1 (*Increased Costs*) shall be made in the currency specified by the Finance Party claiming thereunder.

27.2 Currency Indemnity

If any sum due from an Obligor under this Agreement or any order or judgment given or made in relation hereto has to be converted from the currency (the "**first currency**") in which the same is payable hereunder or under such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against such Obligor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation hereto, the Company shall indemnify and hold harmless each of the persons to whom such sum is due from and against any loss suffered or incurred as a result of any discrepancy between (x) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (y) the rate or rates of exchange at which such person may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

28. PAYMENTS

28.1 Payment to Agent

On each date on which this Agreement requires an amount to be paid by an Obligor or any of the Lenders hereunder, such Obligor, or as the case may be, such Lender shall make the same available to the Agent by payment in same day funds (or such other funds as may for the time being be customary for the settlement of transactions in the relevant currency) to such account or bank as the Agent may have specified for this purpose (provided that, in relation to any payment to be made by a French Obligor, such bank or account shall not be held or situated in a Non-Cooperative Jurisdiction) and any such payment which is made for the account of another person shall be made in time to enable the Agent to make available such person's portion thereof to such other person in accordance with Clause 28.2 (*Same Day Funds*).

28.2 Same Day Funds

Save as otherwise provided herein, each payment received by the Agent for the account of another person before 10:00 a.m. shall be made available by the Agent to such other person (in the case of a Lender, for the account of its Facility Office) for value the same day by transfer to such account of such person with such bank in Paris as such person shall have previously notified to the Agent for this purpose.

28.3 Clear Payments

Any payment required to be made by an Obligor hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of, and without any deduction for or on account of, any set-off or counterclaim.

28.4 Clawback

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

28.5 Partial Payments

If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall, unless otherwise instructed by the Instructing Group, apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

(a) first, in payment in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent and the Second Lien Agent under the Finance Documents and any Directing Representative Amount due to a C (Additional Senior Financing) Facility Lender;

(b) secondly, in or towards payment *pro rata* of any accrued interest or commission due but unpaid under this Agreement (other than in relation to the Second Lien Facility);

(c) thirdly, in or towards payment *pro rata* of any principal due but unpaid under this Agreement (other than in relation to the Second Lien Facility);

(d) fourthly, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents (other than in relation to the Second Lien Facility);

(e) fifthly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement in relation to the Second Lien Facility;

(f) sixthly, in or towards payment pro rata of any principal due but unpaid under this Agreement in relation to the Second Lien Facility; and

(g) seventhly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents in relation to the Second Lien Facility,

and such application shall override any appropriation made by an Obligor.

For the avoidance of doubt, no Senior Subordinated Notes Hedge Counterparty is entitled to receive any payment under this Clause 28.5 as an Ancillary Lender to the extent that it has received an equivalent payment in respect of its Senior Subordinated Notes Hedging Exposures under clause 12.1 (Application of Proceeds) of the Intercreditor Agreement as a Hedge Counterparty.

28.6 Business Days

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

28.7 No Set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

29. SET-OFF

29.1 Right to Set-off

Each of the Obligors authorises each Lender, at any time after the occurrence of an Event of Default and so long as such Event of Default is continuing, to apply any credit balance to which such Obligor is entitled on any account of such Obligor with that Lender in satisfaction of any sum due and payable from such Obligor to such Lender hereunder but unpaid; for this purpose, each Lender is authorised to purchase with the monies standing to the credit of any such account such other currencies as may be necessary to effect such application.

29.2 No Obligation

No Lender shall be obliged to exercise any right given to it by Clause 29.1 (*Right to Set-off*).

30. SHARING AMONG THE LENDERS

30.1 Payments to Lenders

If a Lender (a "**Recovering Lender**") receives or recovers any amount from an Obligor other than in accordance with Clause 29.1 (*Right to Set-off*) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Lender shall, within three Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Lender would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 28.5 (*Partial Payments*), without taking account of any tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Lender shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Lender as its share of any payment to be made, in accordance with Clause 28.5 (*Partial Payments*).

30.2 Redistribution of Payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Lender) in accordance with Clause 28.5 (*Partial Payments*).

30.3 Recovering Lender's Rights

(a) On a distribution by the Agent under Clause 30.2 (*Redistribution of Payments*), the Recovering Lender will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

(b) If and to the extent that the Recovering Lender is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Lender for a debt equal to the Sharing Payment which is immediately due and payable.

30.4 Reversal of Redistribution

If any part of the Sharing Payment received or recovered by a Recovering Lender becomes repayable and is repaid by that Recovering Lender, then:

(a) each Lender which has received a share of the relevant Sharing Payment pursuant to Clause 30.2 (*Redistribution of Payments*) shall, upon request of the Agent, pay to the Agent for account of that Recovering Lender an amount equal to its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Lender for its proportion of any interest on the Sharing Payment which that Recovering Lender is required to pay); and

(b) that Recovering Lender's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Lender for the amount so reimbursed.

30.5 Exceptions

(a) This Clause 30 shall not apply:

(i) to the extent that the Recovering Lender would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor: or

(ii) to any amount of cash cover which an Ancillary Lender applies to meet its actual liabilities under any letter of credit or bank guarantee or that part of the Ancillary Facility for which the cash cover was given.

(b) A Recovering Lender is not obliged to share with any other Lender any amount which the Recovering Lender has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified such other Lender of the legal or arbitration proceedings; and

(ii) such other Lender had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice thereof or did not take separate legal or arbitration proceedings.

30.6 Loss sharing

(a) In this Clause:

"**Loss Sharing Date**" means the date (if any) on which the Agent exercises any of its rights under paragraph (a)(i) of Clause 22.18 (*Acceleration*) or the date (if any) on which the Facilities are cancelled under Clause 8.1 (*Change of Control*).

(b) If, at any time after the Loss Sharing Date, for any reason:

(i) any Outstandings under any Ancillary Facility or the Additional Revolving Facility under which such Ancillary Facility is made available will not be repaid and/or discharged; and

(ii) any resulting loss is not shared between the Ancillary Lenders and the Lenders under the Additional Revolving Facility under which that Ancillary Facility is made available pro rata to the amount which their respective exposures, whether drawn or undrawn, bore to their total exposure, whether drawn or undrawn, as at the Loss Sharing Date,

the Ancillary Lenders and the Lenders under such Additional Revolving Facility the shall make such payments between themselves as the Agent shall require to ensure that after taking into account such payments, any such loss is shared between the Ancillary Lenders and the Lenders under such Additional Revolving Facility pro rata to the amount which their respective exposures, whether drawn or undrawn, bore to their total exposure, whether drawn or undrawn, as at the Loss Sharing Date.

31. CALCULATIONS AND ACCOUNTS

31.1 Day Count Convention

Interest and commitment commission shall accrue from day to day and shall be calculated on the basis of a year of 360 days and the actual number of days elapsed.

31.2 Reference Banks

Save as otherwise provided in this Agreement, on any occasion a Reference Bank or Lender fails to supply the Agent with an interest rate quotation required of it under the foregoing provisions of this Agreement, the rate for which such quotation was required shall be determined from those quotations which are supplied to the Agent.

31.3 Maintain Accounts

Each Lender shall maintain in accordance with its usual practice accounts evidencing the amounts from time to time lent by and owing to it hereunder.

31.4 Control Accounts

The Agent shall maintain on its books a control account or accounts in which shall be recorded:

(a) the amount of any Utilisation or Unpaid Sum, and each Lender's share therein;

(b) the amount of all principal, interest and other sums due or to become due from each of the Obligors to any of the Lenders hereunder and each Lender's share therein; and

(c) the amount of any sum received or recovered by the Agent hereunder and each Lender's share therein.

31.5 Prima Facie Evidence

In any legal action or proceeding arising out of or in connection with the Finance Documents, the entries made in the accounts maintained pursuant to Clause 31.3 (*Maintain Accounts*) and Clause 31.4 (*Control Accounts*) shall, in the absence of manifest error, be *prima facie* evidence of the existence and amounts of the specified obligations of the Obligors.

31.6 Certificate of Lender

A certificate of a Lender as to the amount for the time being required to indemnify it against any such cost, payment or liability as is mentioned in Clause 13.1 (*Increased Costs*) shall, in the absence of manifest error, be *prima facie* evidence of the existence and amounts of the specified obligations of the Obligors.

31.7 Certificate of the Agent

A certificate of the Agent as to the amount at any time due from any Borrower hereunder (or the amount which, but for any of the obligations of any Borrower hereunder being or becoming void, unenforceable or ineffective, at any time, would have been due from such Borrower hereunder) shall, in the absence of manifest error, be *prima facie* evidence for the purposes of Clause 24 (*Guarantee and Indemnity*).

31.8 No Personal Liability

Where a person gives a certificate on behalf of a party to this Agreement it is given without personal liability.

32. ASSIGNMENTS AND TRANSFERS

32.1 Successors and Assignees

This Agreement shall be binding upon and ensure to the benefit of each party hereto and its or any subsequent successors, permitted assignees and Transferees.

32.2 Assignment or Transfers by Obligors

None of the rights, benefits and obligations of an Obligor hereunder shall be capable of being assigned or transferred and each Obligor undertakes not to seek to assign or transfer any of its rights, benefits and obligations hereunder except pursuant to a Permitted Restructuring.

32.3 Assignments or Transfers by Lenders

(a) Any Lender may, at any time, assign all or any of its rights and benefits under the Finance Documents in accordance with Clause 32.4 (*Assi lead=0gnments*) or transfer all or any of its rights, benefits and obligations under the Finance Documents in accordance with Clause 32.5 (*Procedure for Transfer*).

(b) Without prejudice to paragraph (h) below, any assignment or transfer by a Lender shall not be subject to any prior consultation or consent of any Obligor but shall be notified by the Agent to the Company for information purposes only.

(c) The aggregate amount of the Lender's Commitments in respect of the A Facility, the Capital Investment Facility and the Additional Revolving Facility being transferred or assigned shall not be less than €3,000,000, unless such transfer or assignment is:

(i) to an Affiliate or to another existing Lender, or

(ii) (if less) is an assignment or transfer of the remaining Commitments of that Lender

(and provided that no Lender (taken together with its affiliates and funds advised and/or managed by one of its affiliates or by a common entity) may have an aggregate Commitment and/or Outstandings in respect of the A Facility, the Capital Investment Facility and the Additional Revolving Facility less than €7,500,000 unless it has transferred its entire Commitment and/or Outstandings in respect of the A Facility, the Capital Investment Facility and the Additional Revolving Facility to another lender).

(d) The aggregate amount of a Lender's B Facility Commitments, C Facility Commitment and Second Lien Facility Commitments being transferred or assigned shall not be less than €1,000,000 unless such transfer or assignment is:

(i) to an Affiliate or to another existing Lender or a fund or funds advised and/or managed by a common entity; or

(ii) (if less) is an assignment or transfer of the remaining Commitments of that Lender

(and provided that no Lender (taken together with its affiliates and funds advised and/or managed by one of its affiliates or by a common entity) may have an aggregate Commitment and/or Outstandings in the B Facilities, C Facilities and Second Lien Facilities of less than €3,000,000 unless it has transferred its entire Commitment and/or Outstandings to another lender).

(e) The Agent shall have no responsibility to verify that the aggregate Commitments of any Lender (taken together with its affiliates and funds advised and/or managed by one of its affiliates or by a common entity) comply with any minimum amounts set out in paragraphs (c) and (d) above.

(f) In the event where any Lender wishes to assign or transfer all or any of its rights and benefits under the Finance Documents and such assignment or transfer relates to an aggregate amount of Commitments in the Facilities which amounts to more than ten per cent of the amount of the relevant Facility, the Agent shall use its best endeavours, as soon as reasonably practicable, to notify the Company of the proposed assignment or transfer prior to it occurring.

(g) The New Lender will arrange (at its own cost) for the accomplishment of any formalities necessary for the purpose of making the transfer of rights and/or obligations under any Senior Finance Documents enforceable vis-à-vis the assigned Obligors and the third parties (including in particular the signification to the Obligors incorporated in France in accordance with article 1690 of the French Civil Code).

(h) Notwithstanding the above, no assignment, transfer, sub-participation or subcontracting in relation to a Utilisation by or a Commitment available to a French Borrower under a C (Additional Senior Financing) Facility tranche, an Additional Revolving Facility Tranche or, unless the 2011 Extension Effective Date has not occurred by 15 February 2012, an Extended Facility may be effected to a New Lender incorporated, domiciled, established or acting through a Facility Office situated in a Non-Cooperative Jurisdiction without the prior consent of the Company, which shall not be unreasonably withheld.

32.4 Assignments

If any Lender wishes to assign all or any of its rights and benefits under the Finance Documents, unless and until the relevant assignee has agreed with the other Finance Parties that it shall be under the same obligations towards each of them as it would have been under if it had been an original party to the Finance Documents as a Lender, such assignment shall not become effective and the other Finance Parties shall not be obliged to recognise such assignee as having the rights against each of them which it would have had if it had been such a party hereto.

32.5 Procedure for Transfer

(a) Subject to the conditions set out in Clause 32.3 (*Assignments or Transfers by Lenders*) a transfer is effected in accordance with paragraph (b) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the existing Lender and the Transferee. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the existing Lender and the Transferee upon its completion of all "know your customer" or other checks relating to any person that it is required to carry out in relation to the transfer to such Transferee.

(c) For the purpose of Article 1271 of the Luxembourg Civil Code and the Belgian Civil Code (to the extent applicable), the Transferee and the Lender agree that, upon any transfer in whole or in part of any rights of the Lender to the Transferee, the security created by the Security Documents will be preserved for the benefit of the Transferee and the Security Agent.

32.6 Transfer Certificate

If any Lender wishes to transfer all or any of its rights, benefits and/or obligations under the Finance Documents, such transfer may be effected by the delivery to the Agent of a duly completed and duly executed Transfer Certificate in which event, on the later of the Transfer Date specified in such Transfer Certificate and the fifth Business Day after (or such earlier Business Day endorsed by the Agent on such Transfer Certificate falling on or after) the date of delivery of such Transfer Certificate to the Agent (subject to completion of the "know your customer" and other procedures described in Clause 32.5(b) above):

(a) to the extent that in such Transfer Certificate the Lender party thereto seeks to transfer its rights, benefits and obligations under the Finance Documents, each of the Obligors and such Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another shall be cancelled (such rights and obligations being referred to in this Clause 32.6 as "**discharged rights and obligations**");

(b) each of the Obligors and the Transferee party thereto shall assume obligations towards one another and/or acquire rights against one another which differ from the discharged rights and obligations only insofar as such Obligor and such Transferee have assumed and/or acquired the same in place of such Obligor and such Lender;

(c) the other Finance Parties and the Transferee shall acquire the same rights and benefits and assume the same obligations between themselves as they would have acquired and assumed had such Transferee been an original party to the Finance Documents as a Lender with the rights, benefits and obligations acquired or assumed by it as a result of such transfer; and

(d) such Transferee shall become a party hereto as a Lender where applicable become a party to the Finance Documents.

32.7 Limitation of Responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an existing Lender makes no representation or warranty and assumes no responsibility to a Transferee for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Security or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Transaction Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each Transferee confirms to the existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the existing Lender or any other Finance Party in connection with any Transaction Document or the Security Documents; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an existing Lender to:

(i) accept a re-transfer from a Transferee of any of the rights and obligations assigned or transferred under this Clause 32.7; or

(ii) support any losses directly or indirectly incurred by the Transferee by reason of the non-performance by any Obligor of its obligations under the Transaction Documents or otherwise.

32.8 Transfer Fee

On the date upon which a transfer takes effect pursuant to Clause 32.6 (*Transfer Certificate*) the Transferee in respect of such transfer shall pay to the Agent for its own account a transfer fee of €2,500 provided that this fee shall not be payable by any Lender party to this Agreement on the date of this Agreement in respect of transfers made by such Lender prior to the Syndication Date. This fee may be increased by the Agent by notification to the Lenders if it determines that an increase is desirable in view of then prevailing market practice.

32.9 No Additional Liability

If an assignment, transfer or novation of or with respect to all or any part of the rights and/or obligations of a Lender under this Agreement pursuant to this Clause 32 is made which results (or would but for this Clause result) in amounts becoming payable under Clause 12 (*Taxes*) or Clause 13 (*Increased Costs*) then the Transferee shall be entitled to receive these amounts only to the extent that the Transferor acting through its original Facility Office would have been entitled to claim and receive those amounts.

32.10 Disclosure of Information

(a) Each Finance Party hereto severally undertakes to each Obligor that it will keep confidential and that it will not make use of for any purpose (other than for the purposes of the Finance Documents, and otherwise than in the context of an addition to its general experience, knowledge or expertise), any of the Transaction Documents or other documents relating to this Agreement and all of the information distributed on behalf of the Obligors or contained in, received under or obtained in the course of discussions relating to the Information Package and/or the Transaction

Documents and/or the Reports, other than any such document or information which has become generally available to banks through no breach by it of this Clause 32.10, provided that each Finance Party shall be entitled to make disclosure of the same:

(i) to its auditors, accountants, legal counsel and tax advisers and to any other professional advisers appointed by it and to any of its Affiliates;

(ii) (whether or not the relevant assignment, transfer, substitution, sub-participation or other arrangement is made) to any proposed assignee, transferee or substitute of, or proposed party to any proposed sub-participation (or party to any actual sub-participation) or other arrangement with a Finance Party permitted pursuant to this Agreement, provided that, any such proposed transferee, participant or assignee has agreed to be bound by the terms of this Clause 32.10;

(iii) to any third party where the relevant Obligor has previously agreed in writing that disclosure may be made to that third party;

(iv) to any banking or other regulatory or examining authorities (whether governmental or otherwise) where such disclosure is requested by them;

(v) pursuant to subpoena or other legal process, or in connection with any action, suit or proceeding relation to any of the Finance Documents;

(vi) pursuant to any law or regulation having the force of law;

(vii) to the Equity Sponsors (or any of them) and to any member of the Group;

(viii) to any Affiliate to the extent required as part of such Finance Party's credit control procedures;

(ix) to any person for whose benefit that Lender charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to Clause 32.12 (*Security Interests over Lenders' rights*); and

(x) any Finance Party may disclose to a rating agency or its professional advisers, or (with the consent of the Company) any other person,

(b) Any Finance Party which is a trust, fund or other entity which is regularly engaged in, or established for the purpose of making, purchasing or investing in loans, securities or other financial assets, may disclose to the investors and trustee of such Finance Party the following information: (i) the amount of each Facility, (ii) the Applicable Margin, (iii) the applicable EURIBOR rate, (iv) the applicable Interest Periods, (v) the repayment of Advances and (vi) (to the extent required by Law, contract or any organizational document) the occurrence of any Event of Default.

(c) The provisions of Clause 32.10(a) shall supersede any undertakings with respect to confidentiality previously given by any Finance Party in favour of any Obligor.

(d) The Company, the Mandated Lead Arrangers and the Agent shall agree the form of all press announcements issued in respect of the Finance Documents and any transaction contemplated thereby relating to financing of the Acquisition and the Facilities.

32.11 Affiliates of Lenders as Hedge Counterparties

(a) Any Lender Hedge Counterparty shall accede to the Intercreditor Agreement by delivery to the Security Agent of a duly completed accession undertaking in the form required under the Intercreditor Agreement.

(b) Where this Agreement or any other Finance Document imposes an obligation on a Hedge Counterparty and the relevant Hedge Counterparty is an Affiliate of a Lender and is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

32.12 Security Interests over Lenders' Rights

In addition to the other rights provided to Lenders under this Clause 32.12, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create an Encumbrance in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Encumbrance to secure obligations to a federal reserve or central bank; and

(b) in the case of any Lender which is a fund, any charge, assignment or other Encumbrance granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Encumbrance shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Encumbrance for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

32.13 Acceptance by Obligors

(a) Each Obligor consents to the assignments and transfers of rights and obligations permitted under and made in accordance with this Clause 32. Each Obligor agrees and confirms that its guarantee and indemnity obligations under the Finance Documents and any security granted by it in support of its own borrowing obligations or its guarantee or indemnity obligations under the Finance Documents will continue notwithstanding any transfer under this Clause 32 and will extend to cover and support obligations owed to Existing Lenders and to continuing Finance Parties.

(b) Each Obligor incorporated under the laws of Luxembourg hereby expressly accepts and confirms, for the purposes of articles 1278 and 1281 of the Luxembourg Civil Code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of any Finance Document, any security entered into by such Obligor and the guarantee given under any Finance Document shall be preserved for the benefit of any Finance Party, including without limitation, any new Lender.

32.14 Advance Buy-Backs: Splitting of Payments

In respect of any Advance Buy-Back:

(a) any interest or fees in respect of the relevant Outstandings which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Lender which transfers the Outstandings to the Parent (the "**Transferring Lender**") up to but excluding the date on which the assignment or transfer takes effect ("**Accrued Amounts**") and shall become due and payable to the Transferring Lender (without further interest accruing on them) on the last day of the current Interest Period; and

(b) the rights assigned or transferred by the Transferring Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:

(i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Transferring Lender; and

(ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause, have been payable to it on that date, but after deduction of the Accrued Amounts.

33. COSTS AND EXPENSES

33.1 Costs and Expenses of Facilities

All reasonable and pre-agreed out-of-pocket costs and expenses (including but not limited to legal fees (and with caps agreed in respect of legal fees as set out in a letter provided by the Mandated Lead Arrangers)), incurred by the Mandated Lead Arrangers in relation to the proposed transaction, the arrangement, negotiation and syndication of the Facilities shall be reimbursed by the Company up to a maximum amount set out in a letter agreed between the Mandated Lead Arranger and the Company, provided that if the Facilities are not drawn down no such costs and expenses will be payable other than legal fees (subject to a cap to be agreed upfront) and certain syndication third party out of pocket expenses to be agreed upon.

33.2 Preservation and Enforcement Costs

The Company shall, from time to time on demand of the Agent, reimburse each Finance Party for all costs and expenses (including legal fees) incurred in or in connection with the preservation and/or enforcement of any of the rights of such Finance Party under the Finance Documents provided that only reasonable costs and expenses shall be reimbursed where incurred in relation to preservation of any rights prior to an Event of Default.

33.3 Stamp Taxes

The Company shall pay all stamp, registration, documentary and other taxes (including any penalties, additions, fines, surcharges or interest relating thereto but excluding any Transfer Certificate) to which any of the Finance Documents or any judgment given in connection therewith is or at any time may be subject and shall, from time to time on demand of the Agent, indemnify the Finance Parties against any liabilities, costs, claims and expenses resulting from any failure to pay or any delay in paying any of those taxes. The Agent shall be entitled (but not obliged) to pay those taxes (whether or not they are its primary responsibility) and to the extent it does so it may claim under this Clause 33.3.

33.4 Amendments and Waivers

If an Obligor requests any amendment or waiver in accordance with Clause 38 (*Lenders' Decisions*), the relevant Obligor shall, on demand of the Agent, reimburse the Finance Parties for all costs and expenses (including legal fees) incurred by any of the Finance Parties in responding to or complying with such request.

33.5 Lenders' Indemnity

If any Obligor fails to perform any of its obligations under this Clause 33, each Lender shall indemnify and hold harmless each of the Agent, the Arrangers and/or the Security Agent from and against its Proportion of any loss incurred by any of them as a result of such failure and the relevant Obligor shall forthwith reimburse each Lender for any payment made by it pursuant to this Clause.

33.6 Value Added Tax

(a) All amounts set out, or expressed to be payable under any Finance Document by any person to a Finance Party which (in whole or in part) constitute the consideration for VAT purposes shall be deemed to be exclusive of any VAT. Accordingly, subject to paragraph (c) below, if VAT is chargeable on any supply made by any Finance Party under a Finance Document to any person in connection with a Finance Document (whether that supply is taxable pursuant to the exercise of an option or otherwise), that person shall pay to that Finance Party (in addition to and at the same time as paying that consideration) an amount equal to the amount of the VAT (and such Finance Party shall promptly provide an appropriate VAT invoice to such Party) or where applicable, directly account for such VAT at the appropriate rate under the reverse charge procedure provided for by article 56 of the European Directive 2006/112/EC and any relevant tax provision of the jurisdiction in which such Party receives such supply. Where, for the purpose of the service supply giving rise to the payment liable to VAT, a Finance Party belongs to a member state of the European Union different from that where the Party belongs, that Finance Party shall provide to the relevant Party before the payment is made, its value added tax identification number.

If VAT is chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document, and any Party (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration), such Party shall also pay to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The Recipient will promptly pay to the Relevant Party an amount equal to any credit or repayment from the relevant tax authority which it reasonably determines relates to the VAT chargeable on that supply.

(b) No payment or other consideration to be made or furnished to any Obligor pursuant to or in connection with any Finance Document may be increased or added to by reference to (or as a result of any increase in the rate of) any VAT which shall be or may become chargeable in respect of any taxable supply.

(c) Where a Finance Document requires any party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that neither it nor any other member of any group of which it is a member for VAT purposes is entitled to credit or repayment from the relevant tax authority in respect of the VAT.

33.7 Indemnity Payments

Where in any Finance Document an Obligor has an obligation to indemnify or reimburse any Protected Party in respect of any loss or payment, the calculation of the amount payable by way of indemnity or reimbursement shall take account of the likely tax treatment in the hands of that Party (as determined by that Party) of the amount payable by way of indemnity or reimbursement and of the loss or payment in respect of which that amount is payable.

34. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Finance Parties or any of them, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by Law.

35. NOTICES

35.1 Writing

Each communication to be made hereunder shall be made in writing and, unless otherwise stated, shall be made by fax, letter or electronic mail.

35.2 Giving of Notice

Any communication or document to be made or delivered by one person to another pursuant to this Agreement shall in the case of any person other than a Lender (unless that other person has by 15 days' written notice to the Agent specified another address) be made or delivered to that other person at the address identified with its signature below or, in the case of a Lender, at the address from time to time designated by it to the Agent for the purpose of this Agreement (or, in the case of a Transferee at the end of the Transfer Certificate to which it is a party as Transferee) and shall be deemed to have been made or delivered when despatched (in the case of any communication made by fax) or (in the case of any communication made by letter) when left at the address or (as the case may be) five days after being deposited in the postage prepaid in an envelope addressed to it at that address provided that any communication or document to be made or delivered to the Agent shall be effective only when received by the Agent and then only if the same is expressly marked for the attention of the department or officer identified with the Agent's signature below (or such other department or officer as the Agent shall from time to time specify for this purpose) and *provided* further that any notice to be given by the Agent to the Sponsor pursuant to Clause 32.3 (*Assignments or Transfers by Lenders*) may be made by e-mail, telephone or fax and shall require no confirmation of receipt.

35.3 Electronic Communication

(a) Any communication to be made between the Agent or, as the case may be, the Second Lien Agent and a Lender or an Obligor under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent and the relevant Lender or Obligor:

  (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

  (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

  (iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent or, as the case may be, the Second Lien Agent and a Lender or an Obligor will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender or Obligor to the Agent or, as the case may be, the Second Lien Agent only if it is addressed in such a manner as the Agent or, as the case may be, the Second Lien Agent shall specify for this purpose.

35.4 Use of Websites

(a) An Obligor may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent or, as the case may be, the Second Lien Agent (the "**Designated Website**") if:

  (i) the Agent or, as the case may be, the Second Lien Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Company and the Agent or, as the case may be, the Second Lien Agent are aware of the address of, and any relevant password specifications for, the Designated Website; and

(iii) the information is in a format previously agreed between the Company and the Agent or, as the case may be, the Second Lien Agent.

If any Lender (a "**Paper Form Lender**") does not agree to the delivery of information electronically then the Agent or, as the case may be, the Second Lien Agent shall notify the Company accordingly and the Company shall supply the information to the Agent or, as the case may be, the Second Lien Agent (in sufficient copies for each Paper Form Lender) in paper form.

(b) The Agent or, as the case may be, the Second Lien Agent shall supply each Website Lender with the address of, and any relevant password specifications for, the Designated Website following designation of that website by the Company and the Agent or, as the case may be, the Second Lien Agent.

(c) The Company shall promptly upon becoming aware of its occurrence notify the Agent or, as the case may be, the Second Lien Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent or, as the case may be, the Second Lien Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent or, as the case may be, the Second Lien Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Agent or, as the case may be, the Second Lien Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall comply with any such request within 10 Business Days.

36. ENGLISH LANGUAGE

All information to be supplied by members of the Group under the Finance Documents shall be delivered in the English language and, for those which the French legislation requires to be in the French language, accompanied by an English translation on which the Finance Parties will be entitled to rely (without having to check discrepancies with the document in the French language), except:

(a) in respect of the financial statements provided as condition precedent documents (or conditions subsequent) under this Agreement, statutory financial statements, statutory auditors reports, constitutional or statutory documents relating to members of the Group and the corporate bodies' minutes, which may simply be delivered in French language (provided however that the consolidated financial statements of the Group, management comments and reports be in the English language); or

(b) in respect of documents prepared in French by third parties unless such documents are prepared upon instructions of the Company or any member of the Group, unless the Agent requests a translation (where the Company shall procure the relevant document is so translated as soon as reasonably practicable at its cost and expense).

37. PARTIAL INVALIDITY

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the Law of any jurisdiction, such illegality, invalidity or unenforceability shall not affect:

(a) the legality, validity or enforceability of the remaining provisions hereof; or

(b) the legality, validity or enforceability of such provision under the Law of any other jurisdiction.

38. LENDERS' DECISIONS

38.1 Procedures

Except as provided in Clauses 38.2 (*Exceptions*), 38.3 (*Technical Amendments*) and 38.4 (*Guarantees and Security*) below the Agent, if it has the prior written consent of the Instructing Group, and the Obligors affected thereby (and, as the case may be, the Second Lien Agent, if it has the prior written consent of the Majority Second Lien Facility Lenders and the Obligors affected thereby) may from time to time agree in writing to amend this Agreement or to waive, prospectively or retrospectively, any of the requirements of this Agreement and any amendments or waivers so agreed shall be binding on all the Finance Parties and the Obligors. A modification or waiver so agreed may be effected by the Agent (and, if applicable, the Second Lien Agent) executing such documents as may be required for that purpose on behalf of itself and all the other Finance Parties which it represents and the Company executing those documents on behalf of itself and the other Obligors.

38.2 Exceptions

An amendment or waiver relating to the following matters shall not be made without prior written consent of each Lender:

(a) extension of Commitment's maturity or the deferral of a date for payments (other than in respect of mandatory prepayments (apart from on a Change of Control) which shall only require consent of the Instructing Group);

(b) reduction in the Applicable Margin (other than pursuant to the Margin adjustment provisions contained in this Agreement) or other amounts owing or change in currency of any payment;

(c) change to the definition of "Instructing Group", this clause, the pro rata sharing clause or any change of Borrowers or Guarantors (other than as permitted under this Agreement);

(d) any provision which expressly requires the consent of all the Lenders;

(e) change to provisions relating to Lenders' rights and obligations between themselves and transfers by Lenders; or

(f) any amendment to the order of priority or subordination under the Intercreditor Agreement,

in each case other than changes consequential on, incidental to or required to implement a Facility Change as set out below.

Except where the consent of all Lenders is required by any Finance Document, an amendment or waiver which relates solely to the rights or obligations of the Second Lien Facility Lenders shall not be effective without the consent of the Majority Second Lien Facility Lenders.

38.3 Technical Amendments

Notwithstanding Clause 38.2 (*Exceptions*), the Agent may determine administrative matters and make technical amendments arising out of manifest errors on the face of this Agreement, where such amendments would not prejudice or otherwise be adverse to the position of any Lender under this Agreement, without reference to the Lenders.

38.4 Guarantees and Security

A waiver of issuance or the release of any Guarantor from any of its obligations under Clause 24 (*Guarantee and Indemnity*) other than in accordance with the terms hereof or a release of any Security under the Security Documents other than in accordance with the terms hereof or thereof shall require prior written consent of Lenders whose Available Commitments amount in aggregate to more than 85 per cent. of the Available Facilities or, following any utilisation of the Facilities, hereunder to whom in aggregate more than 85 per cent. of the aggregate amount of the Outstandings are owed.

38.5 Amendments affecting Agent/Second Lien Agent

(a) Notwithstanding any other provision hereof, the Agent shall not be obliged to agree to any amendment or waiver if the same would:

(i) amend or waive any provision of Clauses 25 (*Agent, Second Lien Agent and Obligors' Agent*), Clause 33 (*Costs and Expenses*) or this Clause 38.5; or

(ii) otherwise amend or waive any of the Agent's rights hereunder or subject the Agent to any additional obligations hereunder.

(b) An amendment or waiver which relates to the rights or obligations of the Second Lien Agent may not be effected without:

(i) its consent, if the Agent or the Majority Second Lien Facility Lenders have appointed a Second Lien Agent under Clause 25.2 (*Appointment of the Second Lien Agent*) and it has not resigned in accordance with Clause 25.13 (*Resignation*); or

(ii) the consent of the Majority Second Lien Facility Lenders, if the Agent or the Majority Second Lien Facility Lenders have not appointed a Second Lien Agent under Clause 25.2 (*Appointment of the Second Lien Agent*) or the Second Lien Agent has resigned in accordance with Clause 25.13 (*Resignation*).

38.6 Non-responding Lender

Upon the receipt of an amendment or waiver request from the Company, the Agent, after consultation with the Company, will determine a reasonable time period within which the Lenders will be asked to deliver their response to such request. To the extent that any such Lender fails to deliver its response within the time period indicated in writing by the Agent to the Lenders, such Lender's Available Commitments and Outstandings will not be taken into account in determining the aggregate of the Available Facilities and Outstandings for the purpose of the definition of Instructing Group and in determining whether or not such waiver or amendment has been approved by the Instructing Group, provided that such waiver or amendment shall not be granted without votes having been cast (whether approving or rejecting the request) by a Lender or group of Lenders whose Available Commitments and/or Outstandings (or, if there are no Outstandings at such time, the Outstandings owed immediately prior to repayment of such Outstandings) amount at least to 50% of the aggregate of the Available Facilities and Outstandings at that time.

38.7 Facility Change

(a) In this Clause 38.7, a "**Facility Change**" means (i) the introduction of any additional tranche or facility into the Finance Documents, (ii) any increase in or addition of any Commitment, any extension of a Commitment's availability or the redenomination of a Commitment into another currency, (iii) any reduction (including in Applicable Margin), deferral or redenomination of any amount owing under the Finance Documents, and (iv) any changes to the Finance Documents (including changes to, the taking of, or the release coupled with the re-taking of, security) consequential on or required by reason of applicable law effectively to implement any of the foregoing.

(b) Facility Changes may be approved with the consent of each of the following:

(i) the Instructing Group;

(ii) the Majority Second Lien Facility Lenders; and

(iii) each Lender that is assuming a new Commitment or an increased Commitment in the relevant Facility or whose Commitment is being extended or redenominated, or to whom any amount (including interest), which is being reduced, deferred or redenominated (as the case may be) is due.

38.8 Amendments affecting C (Additional Senior Financing) Lenders

In the case of any voting request which relates to the rights or obligations of a C (Additional Senior Financing) Facility Lender (in its capacity as such, including, without limitation, the rights of the C (Additional Senior Financing) Facility Lenders contained in Clauses 22.6(b) (*Cross default*), 22.18(d) (*Acceleration*) and 22.19(c) (*Repayment on Demand*)) under or in respect of a C (Additional Senior Financing) Facility tranche, the consent of that C (Additional Senior Financing) Facility Lender shall be required.

39. THIRD PARTY RIGHTS

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Agreement.

(b) Each third party referred to in Clause 12.2 (*Tax Indemnity*), Clause 24 (*Guarantee and Indemnity*) or Clause 25.11 (*Exclusion of Liability*) shall have the right to enforce that provision.

(c) Notwithstanding any term of any Finance Document, the consent of any person who is not a party to this Agreement is not required to rescind or vary this Agreement at any time.

40. COUNTERPARTS

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

41. GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, English Law.

42. JURISDICTION

42.1 Courts of England

Each of the parties hereto irrevocably agrees for the benefit of each of the Finance Parties that the Courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (respectively "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

42.2 Waiver

Each of the Obligors irrevocably waives any objection which it might now or hereafter have to the Courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

42.3 Service of Process

Each of the Obligors which is not incorporated in England agrees that the process by which any Proceedings are begun may be served on it by being delivered in connection with any Proceedings in England, to Cinven Limited at Warwick Court, Paternoster Square, London EC4M 7AG, England, tel +44 (0)20 7661 3333, fax +44 (0)20 7661 3888 (for the attention of Brian Linden) or its registered office for the time being. If the appointment of the person mentioned in this Clause 42.3 ceases to be effective in respect of any of the Obligors the relevant Obligor shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within 15 days, the Agent shall be entitled to appoint such person by notice to the relevant Obligor. Nothing contained herein shall affect the right to serve process in any other manner permitted by Law.

42.4 Proceedings in Other Jurisdictions

The submissions to the jurisdiction of the Courts of England shall not (and shall not be construed so as to) limit the right of the Finance Parties or any of them to take Proceedings against any of the Obligors in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable Law.

42.5 General Consent

Each of the Obligors hereby consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

42.6 Waiver of Immunity

To the extent that any Obligor may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), such Obligor hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

SCHEDULE 1
LENDERS AND COMMITMENTS

Part I—Before the Reallocation Date

[Confidential]

Part II—As from the Reallocation Date

[Confidential]

Part III—As from the Fifth Amendment Agreement Effective Date

[Confidential]

Part IV—Lenders and Commitments in respect of the C Facility

[Confidential]

SCHEDULE 2

FORM OF TRANSFER CERTIFICATE

To: **[ ]** as Agent and Security Agent.

TRANSFER CERTIFICATE between:

[ ] (the "**Lender**")

AND

[ ] (the "**Transferee**")

This Transfer Certificate dated [ ] relates to:

(a) the senior facility agreement (as from time to time amended, varied, novated or supplemented, the "**Facilities Agreement**") dated 6 June 2006 (as amended and restated most recently on [ ] 2011) whereby certain facilities were made available to, *inter alia*, YPSO FRANCE SAS (formerly named ENO FRANCE SAS) as Original Borrower under the guarantee of the Guarantors, by a group of banks and other financial institutions on whose behalf BNP PARIBAS acted as Agent in connection therewith; and

(b) the intercreditor deed (as from time to time amended, varied, novated or supplemented, the "**Intercreditor Agreement**" dated 6 June 2006 (as amended and restated most recently on [ ] 2011) between, inter alia, the Parent, the Company, the Agent, the Security Agent, the Lenders, the Hedge Counterparties, the Original Borrowers, the Original Guarantors, the Intergroup Creditors and the Intergroup Debtors.

1. Terms defined in the Facilities Agreement and/or, as the case may be, the Intercreditor Agreement, shall, subject to any contrary indication, have the same meanings herein. The terms "Transfer Date", "Lender's Participation" and "Portion Transferred" are defined in the Schedule hereto.

2. The Lender:

(a) confirms that the details in the Schedule hereto are an accurate summary of the Lender's participation in the Agreement and the Interest Periods (as the case may be) for existing Advances as at the date hereof;

(b) requests the Transferee to accept and procure the transfer to the Transferee of the Portion Transferred by countersigning and delivering this Transfer Certificate to the Agent at its address for the service of notices designated to the Agent in accordance with the Facilities Agreement.

3. The Transferee hereby requests the Agent to accept this Transfer Certificate as being delivered to the Agent pursuant to and for the purposes of Clause 32.6 (*Transfer Certificate*) of the Facilities Agreement so as to take effect in accordance with the terms thereof on the Transfer Date or on such later date as may be determined in accordance with the terms thereof.

4. The Transferee confirms that it has received a copy of the Finance Documents together with such other information as it has required in connection with this transaction and that it has not relied and will not rely on the Lender to check or enquire on its behalf into the legality, validity, effectiveness, adequacy, accuracy or completeness of any such information and further agrees that it has not relied and will not rely on the Lender to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of any Obligor.

5. The Transferee hereby undertakes with the Lender and each of the other parties to the Finance Documents that it will perform in accordance with their terms all those obligations which by the

terms of the Facilities Agreement will be assumed by it after delivery of this Transfer Certificate to the Agent and satisfaction of the conditions (if any) subject to which this Transfer Certificate is expressed to take effect.

6. The Lender makes no representation or warranty and assumes no responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of the Facilities Agreement, any other Finance Document or other document relating thereto and assumes no responsibility for the financial condition of any Obligor or for the performance and observance by any Obligor of any of its obligations under the Facilities Agreement, any Finance Document or any other document relating thereto and any and all such conditions and warranties, whether express or implied by Law or otherwise, are hereby excluded.

7. The Lender hereby gives notice that nothing herein or in the Facilities Agreement (or any Finance Document or other document relating thereto) shall oblige the Lender (a) to accept a re transfer from the Transferee of the whole or any part of its rights, benefits and/or obligations under the Facilities Agreement transferred pursuant hereto or (b) to support any losses directly or indirectly sustained or incurred by the Transferee for any reason whatsoever (including the failure by any Obligor or any other party to the Facilities Agreement (or any document relating thereto) to perform its obligations under any such document) and the Transferee hereby acknowledges the absence of any such obligation as is referred to in (a) and (b) above.

8. This Transfer Certificate and the rights, benefits and obligations of the parties hereunder shall be governed by and construed in accordance with English Law.

9. [*Name of Transferee*] of [*address of Transferee*] hereby agrees with each person who is or who becomes a party to the Intercreditor Agreement in accordance with the terms thereof that with effect on and from the date hereof it will be bound by the Intercreditor Agreement as a Creditor as if it had been party to the Intercreditor Agreement in such capacity, including without limitation the appointment of the Security Agent as agent for and on its behalf in accordance with the provisions of clause 23 (*The Security Agent*) of the Intercreditor Agreement.

10. For the purpose of Article 1271 of the Luxembourg Civil Code and the Belgian Civil Code (to the extent applicable), the Transferee and the Lender agree that, upon any transfer in whole or in part of any rights of the Lender to the Transferee, the security created by the Security Documents will be preserved for the benefit of the Transferee and the Security Agent.

11. The Transferee confirms that it is [not] incorporated, domiciled or acting through a Facility Office situated in a Non-Cooperative Jurisdiction.

The Lender confirms that following the transfer hereunder it shall remain in compliance with Clause 32.3(c) and/or (d) (as applicable).

This Certificate and the rights, benefits and obligations of the parties hereunder shall be governed by and construed in accordance with English Law.

IN WITNESS whereof, this Certificate has been executed as a deed by the parties hereto, and is delivered on the date written above.

Schedule to Transfer Certificate

Part I

"**Lender's Participation**" means

Lender's existing A (Recap) 1-I Facility Commitment	€
Lender's existing A (Recap) 1-II Facility Commitment	€
Lender's existing A (Acq) 1-I Facility Commitment	€
Lender's existing A (Acq) 1-II Facility Commitment	€
Lender's existing B (Recap) 1-I Facility Commitment	€
Lender's existing B (Recap) 1-II Facility Commitment	€
Lender's existing B (Acq) 1-I Facility Commitment	€
Lender's existing B (Acq) 1-II Facility Commitment	€
Lender's existing B (Acq) 2-I Facility Commitment	€
Lender's existing B (Acq) 2-II Facility Commitment	€
Lender's existing C (Recap)-I Facility Commitment	€
Lender's existing C (Recap)-II Facility Commitment	€
Lender's existing C (Acq)-I Facility Commitment	€
Lender's existing C (Acq)-II Facility Commitment	€
Lender's existing C (Additional Senior Financing) Facility Commitment	€/USD
Lender's existing Capital Investment Facility 1-I Commitment	€
Lender's existing Capital Investment Facility 1-II Commitment	€
Lender's existing Capital Investment Facility 2-I Commitment	€
Lender's existing Capital Investment Facility 2-II Commitment	€
Lender's existing Additional Revolving Facility Commitment	€

Part II

"**Portion Transferred**" means

Portion of Lender's existing A (Recap) 1-I Facility Commitment to be transferred	€
Portion of Lender's existing A (Recap) 1-II Facility Commitment to be transferred	€
Portion of Lender's existing A (Acq) 1-I Facility Commitment to be transferred	€
Portion of Lender's existing A (Acq) 1-II Facility Commitment to be transferred	€
Portion of Lender's existing B (Recap) 1-I Facility Commitment to be transferred	€
Portion of Lender's existing B (Recap)1-II Facility Commitment to be transferred	€
Portion of Lender's existing B (Acq) 1-I Facility Commitment to be transferred	€
Portion of Lender's existing B (Acq) 1-II Facility Commitment to be transferred	€
Portion of Lender's existing B (Acq) 2-I Facility Commitment to be transferred	€
Portion of Lender's existing B (Acq) 2-II Facility Commitment to be transferred	€
Portion of Lender's existing C (Recap)-I Facility Commitment to be transferred	€
Portion of Lender's existing C (Recap)-II Facility Commitment to be transferred	€
Portion of Lender's existing C (Acq)-I Facility Commitment to be transferred	€
Portion of Lender's existing C (Acq)-II Facility Commitment to be transferred	€
Portion of Lender's existing C (Additional Senior Financing) Facility Commitment to be transferred	€/USD
Portion of Lender's existing Capital Investment Facility 1-I Commitment to be transferred	€
Portion of Lender's existing Capital Investment Facility 1-II Commitment to be transferred	€
Portion of Lender's existing Capital Investment Facility 2-I Commitment to be transferred	€

Portion of Lender's existing Capital Investment Facility 2-II Commitment to be transferred . . . . . €
Portion of Lender's existing Additional Revolving Facility Commitment to be transferred . €

Participation in Utilisations transferred

Borrowers	Participation	Facility	Interest Period	maturity date
	€			
	€			
	€			
	USD			

Part III

Particulars relating to the Transferee: See attached

Facility Office:
Contact Name:
Account for Payments:
Address for Notices:
Telephone:
Facsimile:

Part IV

Transfer Date: [ ]

EXECUTED as a **DEED**
by [*Name of Transferee*]
acting by [Name of Director]

and [*Name of Director*/*Secretary*]

_____
Director

_____
Director/Secretary

EXECUTED as a **DEED**
by [*Name of Lender*]
acting by [*Name of Director*]

and [*Name of Director*/*Secretary*]

_____
Director

_____
Director/Secretary

EXECUTED as a **DEED**
by **BNP PARIBAS** in its capacity as Agent
acting by

[*Name*]
as duly authorised attorney

_____
Director

EXECUTED as a **DEED**
by **BNP PARIBAS** in its capacity as Security Agent
acting by

[*Name*]
as duly authorised attorney

_____
Director

SCHEDULE 3

CONDITIONS PRECEDENT

PART I

CONDITIONS PRECEDENT TO SIGNING

1. Agreed Base Case

On or prior to the date of signature of this Agreement (the "**Signing Date**"), the Mandated Lead Arrangers shall have received the Agreed Base Case in form and substance satisfactory to them.

2. Reports

On or prior to the Signing Date, the Mandated Lead Arrangers shall have received originals of each of the following reports, in form and substance satisfactory to the Mandated Lead Arrangers together with reliance letters in form and substance satisfactory to the Mandated Lead Arrangers that such reports can be relied upon by the Finance Parties:

(a) the commercial report prepared by Analysys analyzing the business plan of the Group;

(b) the Tax Structure Report prepared by Mayer Brown Rowe & Maw describing the steps contemplated therein and the tax consequences of the same; and

(c) the Legal Report.

3. Financial Statements

On or prior to the Signing Date, the Mandated Lead Arrangers and the Agent shall have received the Opening Financial Statements or, where these are not yet available, in respect of financial statements as at 31 March 2006, the latest drafts of the same.

4. Obligor Corporate Documents

On or prior to the Signing Date, the Mandated Lead Arrangers shall have received a certified copy of:

(a) (i) a certified copy of the *statuts* (or equivalent) of each of the Original Obligors updated as of (and including) the Signing Date and (ii) *extrait k-bis* (or updated excerpt from the Luxembourg register of commerce and companies or from the Belgian Crossroads Bank for Enterprises, as applicable), *recherche négative d'une procédure collective* (or a non-bankruptcy certificate issued by the clerk's office of the Luxembourg District Court or by the clerk of the relevant Belgian commercial court, as applicable) and *état relatif aux inscriptions des privilèges et publications* (or equivalent except for Luxembourg entities) of each of the Original Obligors (other than the Obligors incorporated in Belgium) in each case dated no more than 21 days prior to the Signing Date (or in respect of AFE and Est Videocom the most recent date on which the *Etats des inscriptions* are available) and, if applicable, annexing changes resulting from decisions taken at shareholders meetings or board of directors meetings of each of the Original Obligors, not yet reflected in such documents;

(b) where applicable, the minutes of the shareholders' resolutions of each of the Original Obligors approving the execution, delivery and performance of the Transaction Documents to which each of the Original Obligors is party and the terms and conditions thereof and authorising a named person or persons to sign the Transaction Documents to which it is party and any documents to be delivered by the Company pursuant thereto;

(c) where applicable for an Obligor, a resolution of the board of directors, managing directors, supervisory board or equivalent supervisory body of such Obligor and any member of the Group approving the transactions contemplated by the Transaction Documents;

(d) the list of authorised signatories (together with specimen signatures) for each of the Original Obligors; and

(e) a duly completed certificate of the Authorised Officer of each of the Original Obligors in the form attached in Part IV of Schedule 3 (*Form of Certificate of Obligor*).

Each document listed in paragraph 3(a) above shall be in substantially the form provided to the Agent and the Mandated Lead Arrangers prior to the Signing Date or in such other form as is reasonably acceptable to the Agent and the Mandated Lead Arrangers, and the resolutions listed in paragraph (b) above shall be in form and substance satisfactory to the Agent and the Mandated Lead Arrangers.

5. Finance Documents

On the Signing Date, the Mandated Lead Arrangers and the Agent shall have received original duly executed copies of the following documents which shall have been duly authorised, executed and delivered by all parties thereto in form and substance satisfactory to the Mandated Lead Arrangers and the Agent:

(a) this Agreement;

(b) the Intercreditor Agreement;

(c) the Syndication Letter;

(d) the Fee Letters; and

(e) the Mezzanine Facility Agreement.

6. TEG Letter

In the case of a French Obligor, the original TEG Letter in the agreed form and counter-signed on behalf of such Obligor.

7. Know your Customer Documents

On or prior to the Signing Date, the Mandated Lead Arrangers shall have received all the documents requested by it on its own behalf or on behalf of any other Finance Party as it or such other Finance Party deems necessary to fulfil their respective Know your Customer requirements.

8. Investor Documents

On or prior to the Signing Date, the Mandated Lead Arrangers shall have received, in form and substance satisfactory to them, a certified copy of each Investor Document.

PART II—CONDITIONS PRECEDENT TO FIRST UTILISATION

1. Corporate Documents

On or prior to the Initial Closing Date, the Mandated Lead Arrangers and the Agent shall have received from the Company in relation to each of the Original Obligors:

(a) (i) a certified copy of its up-to-date *statuts* and (ii) *extrait k-bis* (or updated excerpt from the Luxembourg register of commerce and companies or from the Belgian Crossroads Bank for enterprises, as applicable), *recherche négative de procédures collectives* (or a non-bankruptcy certificate issued by the clerk's office of the Luxembourg District Court or by the clerk of the relevant Belgian commercial court, as applicable) and *états des inscriptions* of each Obligor (except Luxembourg entities), dated no more than 21 days prior to the Initial Closing Date (or in respect of AFE and Videocom the most recent date on which the *Etats des inscriptions* are available) and, if applicable, annexing changes resulting from decisions taken at shareholders meetings or board of directors meetings of such Obligor, not yet reflected in such documents;

(b) evidence satisfactory to the Mandated Lead Arrangers and the Agent that any provisions in the by-laws or *statuts* of such Subsidiary or of any applicable law that would prevent the Security Agent from enforcing such Security Document in accordance with its terms, including any *clause d'agrément*, have been complied with, amended or waived in accordance with applicable legal procedures or, as the case may be, procedures set forth in such by-laws or *statuts*; and

(c) where applicable resolutions referred to under paragraph 4(b) and 4(c) of Part I (together with the documents referred to in 4(d) and 4(e) of Part I) to the extent not provided at the Signing Date.

Each document listed in paragraph 1(a) above shall be in substantially the form provided to the Agent and the Mandated Lead Arrangers prior to the Initial Closing Date or in such other form as is reasonably acceptable to the Agent and the Mandated Lead Arrangers.

2. Funds Flow

Prior to the Initial Closing Date, the Mandated Lead Arrangers and the Agent shall have received from the Company in form and substance satisfactory to the Mandated Lead Arrangers and the Agent:

(a) the Funds Flow Memorandum as at the Initial Closing Date, and

(b) a certified copy of each Intercompany Loan Document existing on or to be entered into on the Signing Date save to the extent not documented as set out in Schedule 14 (*Intercompany Loans*).

3. Fees

On the Initial Closing Date, all fees and expenses (including legal fees) payable under this Agreement or in connection with this Agreement and the Mezzanine Facility Agreement as at the Initial Closing Date shall have been paid in accordance with the Fee Letters, the terms hereof and the Funds Flow Memorandum.

4. Security Documents/Accession

On the Initial Closing Date, the Agent and the Mandated Lead Arrangers shall have received duly executed original copies of:

(a) each of the Security Documents (in form and substance satisfactory to them) to which each Original Obligor is party, together with all documents required to be delivered pursuant

thereto and in particular for the Pledged Securities, the original or a certified copy of the register of shareholders for the relevant company of the Group, showing the Security of the Finance Parties or any evidence satisfactory to the Mandated Lead Arrangers and the Agent of the perfection of the Security granted pursuant to such Security Documents;

(b) an Accession Document signed by ENO Belgium S.p.r.l. acceding as a Guarantor;

(c) a document evidencing accession of Altice One and Altice Services to the Intercreditor Agreement.

5. Mezzanine Funding

On the Initial Closing Date, the Agent shall have received evidence satisfactory to it that loans under the Mezzanine Facility Agreement in an amount of at least €315,000,000 have been issued and the proceeds made available to the Company in accordance with the Funds Flow Memorandum.

6. Existing Encumbrances and Indebtedness

On the Initial Closing Date, the Mandated Lead Arrangers and the Agent shall have received (i) a certificate from an Authorised Officer of the Company attaching the list of the Financial Indebtedness of the Group as of the Initial Closing Date (such certificate to be in form and substance satisfactory to the Mandated Lead Arrangers and the Agent) and (ii) evidence satisfactory to it that all Financial Indebtedness of the Group and all Encumbrances of the Group (other than the Existing Financial Indebtedness and Existing Encumbrances specified in Schedule 8 (*Existing Encumbrances, Financial Indebtedness and Guarantees*) as remaining outstanding) have been or will, upon the Utilisation of the Term Facilities, be repaid (in accordance with the Funds Flow Memorandum) and discharged on the Initial Closing Date, unless otherwise agreed by the Mandated Lead Arrangers and the Agent or otherwise permitted hereunder.

7. Legal Opinions

On the Initial Closing Date, the Mandated Lead Arrangers and the Agent shall have received opinions of:

(a) Linklaters, French, Luxembourg and Belgian law legal advisers to the Mandated Lead Arrangers relating to the validity, binding effect and enforceability of the Security Documents;

(b) Linklaters, English law legal advisers to the Mandated Lead Arrangers relating to the validity, binding effect and enforceability of the Senior Facilities Agreement and the Intercreditor Agreement;

(c) Freshfields Bruckhaus Deringer ("**Freshfields**") legal advisers to the Obligors (as to French and Belgian law) and Wildgen as to Luxembourg Law relating to the power, capacity and due authorisation of the Obligors to enter into the Finance Documents to which they are a party; and

(d) Freshfields or other counsel acceptable to the Agent acting reasonably relating to the power, capacity and due authorisation of each of the parties other than the Finance Parties and the Obligors to enter into the Intercreditor Agreement,

in each case dated the Initial Closing Date delivered in form and substance satisfactory to the Mandated Lead Arrangers and the Agent and addressed to the Finance Parties.

8. Initial Restructuring Steps

On the Initial Closing Date (or, in the case of documents which are available earlier, not later than 5 Business Days prior to the Initial Closing Date), the Mandated Lead Arrangers and the Agent shall have received certified copies of the following in form and substance satisfactory to them:

(a) auditors report (on a non-reliance basis) produced in relation to the valuation of the contributions in connection with the merger of Ypso France SAS into the Company;

(b) auditors report in relation to the terms and conditions of the merger;

(c) the *traité de fusion*;

(d) each duly executed Intercompany Loan Document entered into or envisaged to be entered into under the Tax Structure Report on or prior to the Initial Closing Date;

(e) original legal opinions of each of Wildgen (Luxembourg) and Franklin (France), legal advisers to the Obligors on the the legal validity of all corporate steps undertaken in accordance with the Tax Structure Report prior to the Initial Closing Date;

(f) each Initial Restructuring Document evidencing that the merger of Ypso Holding S.àR.L. into the Parent and Ypso France SAS into the Company have occurred;

(g) a certificate from the Company confirming that the Group Structure Chart set out in Part II of Schedule 7 (*Group Structure Charts*) is a complete and accurate description of the Group Structure as at the Initial Closing Date; and

(h) each Initial Restructuring Document relating to the distribution of merger premium by the Company.

PART III—CONDITIONS PRECEDENT TO ACQUISITION CLOSING DATE UTILISATION

1. Agreed Base Case

On or prior to the Acquisition Closing Date, the Mandated Lead Arrangers and the Agent shall have received the Agreed Base Case incorporating the Target and the impact of the Acquisition.

2. Reports

On or prior to the Acquisition Closing Date, the Mandated Lead Arrangers and the Agent shall have received originals of each of the following reports, in form and substance satisfactory to the Mandated Lead Arrangers together with reliance letters in form and substance satisfactory to the Mandated Lead Arrangers that such reports can be relied upon by the Finance Parties:

(a) the commercial report prepared by Analysys analyzing the business plan of the Group;

(b) the technical report prepared by ERT;

(c) the accountant's report prepared by Ernst & Young;

(d) the Tax Structure Report prepared by Mayer Brown Rowe & Maw describing the steps contemplated therein and the tax consequences of the same (to the extent it is amended between the Signing Date and the Acquisition Closing Date); and

(e) the legal report prepared by Franklin (as to corporate matters), Bird & Bird (as to employment matters) and Mayer Brown Rowe & Maw (as to tax matters).

3. Obligor Corporate Documents

On or prior to the Acquisition Closing Date, the Mandated Lead Arrangers and the Agent shall have received a certified copy of:

(a) (i) a certified copy of the up-to-date *statuts* (or equivalent) of each of the Original Obligors and (ii) *extrait k-bis* or an updated excerpt from the Luxembourg register of companies or from the Belgian Crossroads Bank for Enterprises, as applicable, *recherche négative d'une procédure collective* or a non-bankruptcy certificate issued by the clerk's office of the Luxembourg District Court or by the clerk of the relevant Belgian commercial court, as applicable and *état relatif aux inscriptions des privilèges et publications* of each of the Original Obligors in each case dated no more than 21 days prior to the Acquisition Closing Date and, if applicable, annexing changes resulting from decisions taken at shareholders meetings or board of directors meetings of each of the Original Obligors, not yet reflected in such documents;

(b) where applicable, the minutes of the shareholders' resolutions of each of the Original Obligors approving the execution, delivery and performance of the Transaction Documents to which each of the Original Obligors is party and the terms and conditions thereof and authorising a named person or persons to sign the Transaction Documents to which it is party and any documents to be delivered by the Company pursuant thereto;

(c) where applicable for an Obligor, a resolution of the board of directors, managing directors, supervisory board or equivalent supervisory body of such Obligor and any member of the Group approving the transactions contemplated by the Transaction Documents;

(d) the list of authorised signatories (together with specimen signatures) for each of the Original Obligors;

(e) a duly completed certificate of the Authorised Officer of each of the Original Obligors in the form attached in Part IV of Schedule 3 (*Form of Certificate of Obligor*); and

(f) evidence satisfactory to the Mandated Lead Arrangers and the Agent that any provisions in the by-laws or *statuts* of such Subsidiary or of any applicable law that would prevent the Security Agent from enforcing such Security Document in accordance with its terms, including any *clause d'agrément*, have been complied with, amended or waived in accordance with applicable legal procedures or, as the case may be, procedures set forth in such by-laws or *statuts*.

Each document listed in paragraph 3(a) above shall be substantially in the form provided to the Agent and the Mandated Lead Arrangers prior to the Acquisition Closing Date or in such other form as is reasonably acceptable to the Agent and the Mandated Lead Arrangers, and the resolutions listed in paragraph (b) above shall be in form and substance satisfactory to the Agent and the Mandated Lead Arrangers.

4. Acquisition Documents

On or prior to the Acquisition Closing Date, the Mandated Lead Arrangers and the Agent shall have received from the Company:

(a) a certified copy of each Acquisition Document, which shall not have been amended or waived from the form of the draft approved by the Mandated Lead Arrangers save for any amendments or waivers which are not materially adverse to the interests of the Lenders and any other changes or additions approve by the Mandated Lead Arrangers (acting reasonably) and a certified copy of all documentation referred to in the Acquisition Agreement (as vendor deliverables) which is necessary for the completion of the Acquisition;

(b) a certificate from the Company confirming that the Acquisition Agreement has become unconditional in all respects (subject only to the availability of the Facilities) and that no amendment or waiver has been made except as set out above;

(c) a certified copy of all consents and corporate and regulatory approvals required under the Acquisition Agreement as a condition of the Acquisition, save for any consents and items which are (i) non material or (ii) if waived by the Company and/or the Purchaser, would not be materially adverse to the interests of the Finance Parties;

(d) a certified copy of the "Transitional Services Agreement" relating to the Target; and

(e) a copy of the unaudited pro forma consolidated accounts of the Target at 31 December 2005.

5. Funds Flow

On the Acquisition Closing Date, the Mandated Lead Arrangers and the Agent shall have received from the Company in form and substance satisfactory to the Mandated Lead Arrangers and the Agent:

(a) the Funds Flow Memorandum as at the Acquisition Closing Date; and

(b) a certified copy of each duly executed Intercompany Loan Document relating to an Intercompany Loan to be made on the Acquisition Closing Date.

6. Fees

On the Acquisition Closing Date, all fees and expenses (including legal fees) payable under this Agreement or in connection with this Agreement and the Mezzanine Facility Agreement as at the Acquisition Closing Date shall have been paid in accordance with the Fee Letters, the terms hereof and the Funds Flow Memorandum.

7. Finance Documents

On the Acquisition Closing Date, the Mandated Lead Arrangers and the Agent shall have received original duly executed copies of the following documents which shall have been duly authorised,

executed and delivered by all parties thereto in form and substance satisfactory to the Mandated Lead Arrangers and the Agent:

(a) each of the Security Documents to which each Original Obligor is party with respect to the Target shares, together with all documents required to be delivered pursuant thereto and in particular for the pledged securities, the original or a certified copy of the register of shareholders for the relevant company of the Group, showing the Security of the Finance Parties or any evidence satisfactory to the Mandated Lead Arrangers and the Agent of the perfection of the Security granted pursuant to such Security Documents.

8. Mezzanine Funding

On the Acquisition Closing Date and except in respect of the amount to be drawn by Coditel Brabant in respect of which this condition shall not apply, the Agent shall have received evidence satisfactory to it that loans under the Mezzanine Facility Agreement of at least €185,000,000 have been issued and the proceeds made available to the Purchaser in accordance with the Funds Flow Memorandum.

9. Existing Encumbrances and Indebtedness

On the Acquisition Closing Date, the Mandated Lead Arrangers and the Agent shall have received (i) a certificate from an Authorised Officer of the Company attaching the list of the Financial Indebtedness of the Group as of the Acquisition Closing Date (such certificate to be in form and substance satisfactory to the Mandated Lead Arrangers and the Agent) and (ii) evidence satisfactory to it that all Financial Indebtedness of the Group and all Encumbrances of the Group (other than the Existing Financial Indebtedness and Existing Encumbrances listed in Schedule 8 (*Existing Encumbrances, Financial Indebtedness and Guarantees*) and specified as remaining outstanding) have been repaid (in accordance with the Funds Flow Memorandum) and discharged, unless otherwise agreed by the Mandated Lead Arrangers and the Agent or otherwise permitted hereunder.

10. Legal Opinions

On the Acquisition Closing Date, the Mandated Lead Arrangers and the Agent shall have received an opinion of:

(a) Linklaters, French, Luxembourg and Belgian law legal advisers to the Agent, the Security Agent and the Mandated Lead Arrangers relating to the validity, binding effect and enforceability of the Security Documents; and

(b) Freshfields Bruckhaus Deringer ("**Freshfields**") legal advisers to the Obligors (as to French and Belgian law) and Wildgen as to Luxembourg law relating to the power, capacity and due authorisation of the Obligors to enter into the Finance Documents to which they are a party which are executed on the Acquisition Closing Date,

in each case dated the Acquisition Closing Date delivered in form and substance satisfactory to the Mandated Lead Arrangers and the Agent and addressed to the Finance Parties.

PART IV—FORM OF CERTIFICATE OF OBLIGOR

To: The Agent.

We refer to the facilities agreement (the "**Facilities Agreement**") dated 6 July 2006 (as amended and restated most recently on [ ] 2011) and made between, among others, Ypso France SAS as the Company, BNP Paribas as Agent and as Security Agent, the Original Guarantors and Mandated Lead Arrangers referred to therein and the financial and other institutions named therein as Lenders. Terms defined in the Facilities Agreement shall have the same meanings herein.

I, **[***name***]**, a Director of **[***name of Obligor***]** of **[***address]*

HEREBY CERTIFY that:

(a) attached hereto marked "A" are true, correct, complete and up-to-date copies of all documents which contain or establish or relate to the constitution of **[ENTITY NAME]**;

(b) attached hereto marked "**B**" is a true, correct and complete copy of **[**resolutions duly passed**]** at **[**a meeting of the Board of Directors **[**and shareholders if required by Law**]]** of **[ENTITY NAME]** duly convened and held on **[ ]** approving the Finance Documents to which **[ENTITY NAME]** is a party and authorising their execution, signature, delivery and performance and such resolutions have not been amended, modified or revoked and are in full force and effect;

(c) [attached hereto marked "**C**" is a true, complete and up-to-date list of the Material Subsidiaries.**]** **[Parent certificate only.]**

(d) the entry into the Finance Documents by **[ENTITY NAME]** will not breach any borrowing or other indebtedness limit to which **[ENTITY NAME]** is subject;

(e) the conditions precedent set forth in **[**paragraph 1 of Part II of Schedule 3 (*Conditions Precedent to First Utilisation*)**]**/**[**paragraph 2 of Part III of Schedule 3 (*Conditions Precedent to Acquisition Closing Date Utilisation*)**]** **[ ]** are met; and

(f) We confirm that, at the date of this Certificate, the representations and warranties referred to in Clause **[**4.1(i)**]**/**[**4.1(j)**]** (*Conditions to Utilisation*) of the Senior Facilities Agreement are true in any material respect and that no Default has occurred and is continuing or would result from the proposed Utilisation.

The following signatures are the true signatures of the persons who have been authorised to sign the relevant Finance Documents on behalf of **[ENTITY NAME]** and to give notices and communications, (including Utilisation Requests), under or in connection with the Finance Documents on behalf of **[ENTITY NAME]**.

Name	Position	Signature
[ ]	[ ]	[ ]

Signed: _____
Director

Date: [ ]

I, **[***name***]**, a **[**Director/Secretary**]** of **[***name of Obligor***]**, hereby certify that the persons whose names and signatures are set out above are duly appointed directors of **[ENTITY NAME]** and that the signatures of each of them above are their respective signatures.

Signed: _____
[Director/Secretary]

Date: [ ]

PART V—ACCEDING OBLIGOR DOCUMENTARY CONDITIONS

On or prior to the Accession Date, the Agent shall have received a certified copy of:

1. Additional Obligor Corporate Documents

(a) (i) a certified copy of the up-to-date *statuts* (or equivalent) of the Additional Obligor and (ii) *extrait k-bis* (or updated excerpt from the Belgian Crossroads Bank for Enterprises, or equivalent), *recherche négative d'une procédure collective* (non-bankruptcy certificate issued by the clerk of the relevant Belgian commercial court or equivalent except for Luxembourg entities) and *état relatif aux inscriptions des privilèges et publications* (or equivalent) of the Additional Obligor in each case dated no more than 15 days prior to the Accession Date and, if applicable, annexing changes resulting from decisions taken at shareholders meetings or board of directors meetings of the Additional Obligor, not yet reflected in such documents;

(b) where applicable, the minutes of the shareholders' resolutions of the Additional Obligor approving the execution, delivery and performance of the Accession Document and the terms and conditions thereof and authorising a named person or persons to sign the Accession Document and any documents to be delivered by the Company pursuant thereto;

(c) evidence satisfactory to the Agent that any provisions in the by-laws or *statuts* of such Subsidiary or of any applicable law that would prevent the Security Agent from enforcing such Security Document in accordance with its terms, including any *clause d'agrément*, have been complied with, amended or waived in accordance with applicable legal procedures or, as the case may be, procedures set forth in such by-laws or *statuts*;

(d) where applicable for the Additional Obligor, a resolution of the board of directors, supervisory board or equivalent supervisory body of such Additional Obligor and any member of the Group approving the transactions contemplated by the Transaction Documents;

(e) the list of authorised signatories (together with specimen signatures) for the Additional Obligor; and

(f) a duly completed certificate of the Authorised Officer of the Additional Obligor in the form attached in Part IV of Schedule 3 (*Form of Certificate of Obligor*).

Each document listed in paragraph 1(a) above shall be in substantially the form provided to the Agent prior to the Accession Date or in such other form as is reasonably acceptable to the Agent, and the resolutions listed in paragraph (b) above shall be in form and substance satisfactory to the Agent.

2. Finance Documents

On the Accession Date, the Agent shall have received original duly executed copies of the following documents which shall have been duly authorised, executed and delivered by all parties thereto in form and substance satisfactory to the Agent:

(a) the Accession Document;

(b) each of the Security Documents to which the Additional Obligor is party as required by the Agent in accordance with the Security Principles, together with all documents required to be delivered pursuant thereto and any evidence satisfactory to the Agent of the perfection of the Security granted pursuant to such Security Documents;

(c) a TEG Letter in the case of a French Additional Obligor;

(d) the financial statements of the Additional Obligor for the financial year most recently ended; and

(e) all documents requested by it on its own behalf or on behalf to any other Finance Party as it or such other Finance Party deems necessary to fulfil their respective Know your Customer requirements.

3. Legal Opinions

On the Accession Date, the Agent shall have received an opinion of:

(a) Linklaters, English, French, Belgian and Luxembourg law legal advisers to the Agent relating to the validity, binding effect and enforceability of the Accession Document and the Security Documents;

(b) Legal advisers to the Additional Obligor relating to the power, capacity and due authorisation of the Additional Obligor to enter into the Accession Document; and

in each case dated the Accession Date, delivered in form and substance satisfactory to the Agent and addressed to the Finance Parties.

4. Other

On the Accession Date, the Agent shall have received in form and substance satisfactory to it all the documents requested by it on its own behalf or on behalf of each other Finance Party as it or such other Finance Party deems necessary to fulfil their respective Know Your Customer requirements.

PART VI—SECURITY DOCUMENTS

1. Granted by the Parent

1.1 Pledge agreement for the pledge of financial instruments account by which the Parent grants to the Beneficiaries a pledge over the entirety of the shares it owns in the Company.

1.2 Share pledge agreement pursuant to which the Parent and the Company grant to the Security Agent for the benefit of the Beneficiaries a pledge over the entire issued share capital of Coditel Brabant.

1.3 Share pledge agreement pursuant to which the Parent and Coditel Brabant grant to the Security Agent for the benefit of the Beneficiaries a pledge over the entire issued share capital of ENO Belgium S.p.r.l.

1.4 A pledge pursuant to which the Parent grant to the Beneficiaries as pledge over its bank accounts.

1.5 A pledge over the IFPECs issued by Coditel SàRL in favour of the Beneficiaries.

1.6 Pledge agreement for the pledge of shares, by which the Company and the Parent grants to the Beneficiaries a pledge over the entirety of the shares it owns in Coditel S.àR.L.

2. Granted by the Company

2.1 Pledge agreement for the pledge of financial instruments account, by which the Company grants to the Beneficiaries a pledge over the entirety of the shares it owns in Numéricâble SAS.

2.2 Pledge agreement for the pledge of financial instruments account, by which the Company grants to the Beneficiaries a pledge over the entirety of the shares it owns in Altice France Est.

2.3 Pledge agreement for the pledge of financial instruments account by which the Company grants to the Beneficiaries à pledge over the entirety of the shares it owns in Est Videocom.

2.4 Pledge agreement for the pledge of shares, by which the Company and the Parent grants to the Beneficiaries a pledge over the entirety of the shares it owns in Coditel S.àR.L.

2.5 Share pledge agreement pursuant to which the Parent and the Company grant to the Security Agent for the benefit of the Beneficiaries a pledge over the entire issued share capital of Coditel Brabant.

2.6 Pledge agreement for the pledge of bank accounts by which the Company grants to the Beneficiaries a pledge over the entirety of its bank accounts.

2.7 Assignment agreement for the assignment (*Dailly* assignment or other security) of all intercompany loans receivables (including under Intercompany Loans), by which the Company assigns to the Security Agent the entirety of such receivables under all intercompany loans between the Company and any other member of the Group (other than Coditel Brabant).

3. Granted by Coditel Brabant

3.1 Share pledge agreement pursuant to which the Parent and Coditel Brabant grant to the Beneficiaries a pledge over the entire issued share capital of ENO Belgium S.p.r.l.

3.2 (i) Pledge agreement pursuant to which Coditel Brabant grants to the Security Agent acting in its own name and for its own account and as creditor of the parallel debt a floating charge over its assets ("*pand op handelszaak*"/"*gage sur fonds de commerce*"), including, without limitation, its business, intellectual property rights, clientele, machinery, bank accounts and receivables, up to a secured amount equal to €10,000,000 and (ii) irrevocable mandate granted by Coditel Brabant to a proxyholder for the benefit of the Security Agent acting in its own name and for its own

account and as creditor of the parallel debt to create a floating charge over the same assets ("*pand op handelszaak*"/"*gage sur fonds de commerce*") for the purposes of increasing the secured amount up to €145,000,000.

3.3 Bank account pledge agreement pursuant to which Coditel Brabant grants to the Beneficiaries a pledge over all its bank accounts.

3.4 Disclosed receivables pledge agreement pursuant to which Coditel Brabant grants to the Beneficiaries a pledge over (i) all its current and future insurance receivables in respect of all its material insurance contracts (other than its vehicle insurance policies) and (ii) all its current and future intercompany loans.

3.5 Undisclosed trade receivables pledge agreement pursuant to which Coditel Brabant grants to the Beneficiaries a pledge over all its current and future trade receivables.

3.6 Trade mark pledge agreement pursuant to which Coditel Brabant grants to the Security Agent acting in its own name and for its own account and as creditor of the parallel debt a pledge over its trade marks.

4. Granted by AFE

4.1 Pledge agreement for the pledge of financial instruments account by which AFE grants to the Beneficiaries a pledge over the entirety of the shares it owns in the Target.

4.2 Pledge agreement for the pledge of financial instruments account by which AFE grants to the Beneficiaries a pledge over the entirety of the shares it owns in Est Videocom.

4.3 Pledge agreement for the pledge of bank accounts by which AFE grants to the Beneficiaries a pledge over the entirety of its bank accounts.

4.4 *Délégation* by which AFE *delegates* its receivables under the Acquisition Agreement.

4.5 Assignment agreement for the assignment (*Dailly* assignment or other security) of all intercompany loan receivables (including under Intercompany Loans), by which AFE assigns to the Security Agent the entirety of such receivables under all intercompany loans between AFE and any other member of the Group.

5. Granted by Coditel S.àR.L.

5.1 Pledge agreement for the pledge of bank accounts by which Coditel S.àR.L. grants to the Security Agent a pledge over the entirety of its bank accounts.

5.2 Assignment agreement for the assignment of all intercompany loans receivables by which Coditel S.àR.L. assigns to the Security Agent the entirety of such receivables under all intercompany loans between Coditel S.àR.L. and any other member of the Group.

6. Granted by Est Videocom

6.1 Pledge agreement by which Est Videocom grants to the Beneficiaries a pledge over its on going concern.

6.2 Pledge agreement for bank accounts by which Est Videocom grants to the Beneficiaries a pledge over the entirety of its bank accounts.

6.3 Delegation agreement by which Est Videocom delegates the insurance companies to the Beneficiaries under certain specified insurance contracts other than vehicle insurance contracts, together with the accession deed relating to this delegation agreement executed by the relevant insurance companies.

6.4 Assignment of receivables by way of security (*Dailly* assignment) by which Est Videocom assigns all indemnity right owed to Est Videocom by the *"concédants"*.

6.5 Assignment of receivables by way of security (*Dailly*) by which Est Videocom assigns its rights under intercompany loans.

7. Granted by Numéricâble SAS

7.1 Share pledge agreement by which Numéricâble SAS grants to the Beneficiaries a pledge over the entirety of its shares of NC Numéricâble.

7.2 Pledge agreement between by which Numéricâble SAS grants to the Beneficiaries a pledge over its on-going concern including its intellectual property rights if any.

7.3 Pledge agreement for the pledge of bank accounts by which Numéricâble SAS grants to the Beneficiaries a pledge over the entirety of its bank accounts.

7.4 Delegation agreement by which Numéricâble SAS delegates the insurance companies to the Beneficiaries under certain specified insurance contracts other than vehicle insurance contracts, together with the accession deeds relating to this delegation agreement executed by the relevant insurance companies.

7.5 Assignment of receivables by way of security as a guarantee of Numéricâble SAS 's own debts (as Borrower) (*Dailly* assignment) by which Numéricâble SAS assigns all indemnity right owed to Numéricâble SAS by the *"concédants"*.

8. Granted by NC Numéricâble

8.1 Share pledge agreement by which NC Numéricâble grants to the Beneficiaries a pledge over the entirety of its shares of NCN Côte d'Azur.

8.2 Share pledge agreement by which NC Numéricâble grants to the Beneficiaries a pledge over the entirety of its shares of NCN Nice.

8.3 Share pledge agreement by which NC Numéricâble grants to the Beneficiaries a pledge over the entirety of its shares of NCN Maures Esterel.

8.4 Share pledge agreement by which NC Numéricâble grants to the Beneficiaries a pledge over the entirety of its shares of NCN Côte d'Opale.

8.5 Share pledge agreement by which NC Numéricâble grants to the Beneficiaries a pledge over the entirety of its shares of NCN Région Pas de Calais.

8.6 Share pledge agreement by which NCN Holdco grants to the Beneficiaries a pledge over the entirety of its shares of NCN Ile de France.

8.7 Pledge agreement by which NC Numéricâble grants to the Beneficiaries a pledge over its on-going concern including its intellectual property rights (including verbal trademarks "NUMÉRICÂBLE" and "Numéricâble" and the trademarks "CABLOSATELLITE", "NCPOURVOUS", "LE CABLE téléservice" and "NUMERIPACK").

8.8 Pledge agreement for bank accounts by which NC Numéricâble grants to the Beneficiaries a pledge over the entirety of its bank accounts.

8.9 Delegation agreement by which NC Numéricâble delegates the insurance companies to the Beneficiaries under any insurance contracts other than vehicle insurance contracts, together with the accession deed relating to this delegation agreement executed by the relevant insurance companies.

8.10 Assignment of receivables by way of security (*Dailly* assignment) by which NC Numéricâble assigns all indemnity right owed to NC Numéricâble by the *"concédants"*.

9. Granted by ENO Belgium

9.1 Disclosed receivables pledge agreement pursuant to which ENO Belgium grants to the Beneficiaries a pledge over all its current and future intercompany loans.

PART VII—CONDITIONS PRECEDENT IN RESPECT OF THE C FACILITY

A—CONDITIONS PRECEDENT TO THE UTILISATION OF THE C FACILITY

1. Corporate Documents

On or prior to the Refinancing Date, the Agent will have received from the Company in relation to each of the C Facility Obligors any documentary conditions precedent referred to in Schedule 2 to the Amendment and Restatement Agreement to the extent not provided to the Agent on or prior to the date of signature of the Amendment and Restatement Agreement.

2. Amended Finance Documents and New Security Documents

On the Refinancing Date, the Agent will have received duly executed original copies of:

(a) the Intercreditor Amendment and Restatement Agreement;

(b) the other Amended Finance Documents and New Security Documents.

3. Funds Flow

Not later than three Business Days prior to the Refinancing Date, the Agent will have received from the Company in form and substance satisfactory to the Agent (acting reasonably) the C Facility Funds Flow Memorandum as at the Refinancing Date.

4. Fees

On the Refinancing Date, all fees and expenses (including legal fees) payable under or in connection with the Amended Finance Documents and the New Security Documents as at the Refinancing Date shall have been paid in accordance with the Fee Letters, the terms hereof and the C Facility Funds Flow Memorandum.

5. Refinancing

Prior to the Refinancing Date, confirmation that the Agent has obtained the relevant consents from the Finance Parties.

6. Financial Information

On the Refinancing Date, the Agent will have received the following financial information:

(a) audited financial statements for the financial year ending 31 December 2006 for each of the Company, AFE, Numéricâble SAS, the Target, Coditel Brabant, Coditel S.àR.L. and Est Videocom;

(b) unaudited consolidated financial statements of the Company for the financial year ending 31 December 2006 prepared by the Company; and

(c) confirmation from the Company's auditors of the EBITDA for the fourth quarter of 2006 (ending on 31 December 2006) for each of the Company, AFE, Numéricâble SAS, the Target, Coditel Brabant, Coditel S.àR.L. and Est Videocom (the sum of these EBITDAs multiplied by four must exceed €450,000,000).

7. Legal Opinions

On the Refinancing Date, the Agent will have received opinions of:

(a) Linklaters, English, French, Luxembourg and Belgian law legal advisers to the C Facility Mandated Lead Arranger, relating to the validity, binding effect and enforceability of the Amended Finance Documents and the New Security Documents to the extent governed by the law of their jurisdiction;

(b) Freshfields Bruckhaus Deringer ("**Freshfields**"), legal advisers to the Obligors (as to French and Belgium law) and Wildgen (as to Luxembourg law), relating to the power, capacity and due authorisation of the Obligors to enter into the Amended Finance Documents and New Security Documents to which they are a party; and

(c) Freshfields or other counsel acceptable to the Agent (acting reasonably) relating to the power, capacity and due authorisation of each of the parties other than the Finance Parties and the Obligors to enter into the Intercreditor Amendment Agreement,

in each case dated the Refinancing Date and delivered in form and substance satisfactory to the Agent (acting reasonably) and addressed to the Finance Parties.

B—SECURITY DOCUMENTS TO BE PROVIDED ON OR BEFORE THE UTILISATION OF THE C FACILITY

1. Granted by the Parent

Second ranking pledge agreement for the pledge of financial instruments account by which the Parent grants to the Beneficiaries a pledge over the entirety of the shares it owns in the Company.

2. Granted by the Company

2.1 Third ranking pledge agreement for the pledge of financial instruments account by which the Company grants to the Beneficiaries a pledge over the entirety of the shares it owns in Numéricâble SAS.

2.2 Third ranking pledge agreement for the pledge of financial instruments account by which the Company grants to the Beneficiaries a pledge over the entirety of the shares it owns in AFE.

2.3 Third ranking pledge agreement for the pledge of financial instruments account by which the Company grants to the Beneficiaries a pledge over the entirety of the shares it owns in Est Videocom.

2.4 Third ranking pledge agreement for the pledge of bank accounts by which the Company grants to the Beneficiaries a pledge over the entirety of its bank accounts.

2.5 New assignment by way of an amendment to the existing assignment agreement for the assignment (*Dailly* assignment or other security) of all intercompany loans receivables (including under Intercompany Loans) dated 15 June 2006 by which the Company assigns to the Security Agent the entirety of such receivables under all intercompany loans between the Company and any other member of the Group (other than Coditel Brabant).

3. Granted by AFE

3.1 Second ranking pledge agreement for the pledge of financial instruments account by which AFE grants to the Beneficiaries a pledge over the entirety of the shares it owns in the Target.

3.2 Second ranking pledge agreement for the pledge of financial instruments account by which AFE grants to the Beneficiaries a pledge over the entirety of the shares it owns in Est Videocom.

3.3 Second ranking pledge agreement for the pledge of bank accounts by which AFE grants to the Beneficiaries a pledge over the entirety of its bank accounts.

3.4 New assignment by way of an amendment to the existing assignment agreement for the assignment (*Dailly* assignment or other security) of all intercompany loan receivables (including under Intercompany Loans) dated 19 July 2006 by which AFE assigns to the Security Agent the entirety of such receivables under all intercompany loans between AFE and any other member of the Group.

PART VIII—SECURITY DOCUMENTS TO BE SIGNED ON THE FOURTH AMENDMENT AGREEMENT EFFECTIVE DATE

1. Each of the following Security Documents, duly executed by the parties thereto and granted in favour of the Finance Parties or the Security Agent (on behalf of the Finance Parties) to secure the Senior Liabilities (as defined in the Intercreditor Agreement):

(i) a pledge agreement by which the Parent grants Security over the Coditel Debt Notes;

(ii) (subject to the Agreed Security Principles) a pledge agreement by which Coditel S.ar.l. grants Security over its shares in Coditel Debt;

(iii) (subject to the Agreed Security Principles) an assignment agreement by which Coditel Debt grants Security over the Initial Purchased Outstandings;

(iv) an *attestation de gage* in respect of any additional shares issued by the Company in accordance with step 2 of the Mayer Brown Structure Report;

(v) Security over the receivables arising under any loan granted by the Parent to the Company in accordance with step 2 of the Mayer Brown Structure Report; and

(vi) Security over any other financial instrument(s) issued by the Company in accordance with step 2 of the Mayer Brown Structure Report,

in each case together with all documents required to be delivered pursuant thereto, including (subject to the Agreed Security Principles) any document the Security Agent deems necessary or desirable to perfect the Security created thereby.

2. A global confirmation letter in the English language to be entered into by the Parent and the Obligors incorporated under the laws of France in respect of all existing French law Security Documents.

3. A confirmation deed (*acte confirmatif de sûretés*) in the French language signed by all Obligors party to existing French law bank account pledge agreements.

4. A confirmation deed (*acte confirmatif de sûretés*) in the French language signed by all Obligors party to existing French law securities account pledge agreements.

5. A confirmation deed (*acte confirmatif de sûretés*) in the French language signed by all Obligors party to existing French law IP pledge agreements.

6. Confirmation deeds[5] (*actes confirmatifs de sûretés*) in the French language to be entered into by each Obligor party to an existing French law pledge of on-going business agreement.

(5) Each relevant Obligor will sign a separate confirmation deed.

SCHEDULE 4

FORM OF UTILISATION REQUEST

From: **[***Borrower***]**

To: The Agent

Date:

Dear Sirs

1. We refer to the facilities agreement (the "**Facilities Agreement**") dated 6 June 2006 (as amended and restated, most recently on [ ] 2011) and made between, among others, Ypso France SAS as the Company, BNP Paribas as Agent and as Security Agent, the Original Guarantors and Mandated Lead Arrangers referred to therein and the financial and other institutions named therein as Lenders. Terms defined in the Facilities Agreement shall have the same meaning in this notice.

2. We hereby give you notice that, pursuant to the Facilities Agreement, we wish to make a Utilisation on the following terms:

(a) Facility to be used: **[**C (Additional Senior Financing) Facility tranche/Additional Revolving Facility Tranche] [ ]

(b) Amount: [ ]

(c) Currency: [Euro] [US dollars] [other Optional Currency][(6)]

(d) Interest Period: **[** **]** month**[**s]

(e) Proposed date of Utilisation: **[** **]** (or if that day is not a Business Day, the next Business Day)

(f) [Type of Utilisation: **[**Advance/Letter of Credit**]**[(7)]

3. We confirm that **[**this Utilisation is in respect of a Letter of Credit being renewed in accordance with Clauses 2.9(l), (m), (n) and (o) (*Renewal of a Letter of Credit*) / is a Rollover Advance**]** **[**, at the date hereof, the representations and warranties referred to in **[**Clause **[**2.9(i)(ii)(B) (*Issue of Letters of Credit*)**]** **[**4.1(j)(i) (*Conditions to Utilisation*)**]** **[**paragraph (a) (v) or (b) (v), as the case may be, of the definition of Certain Funds Default**]** of the Facilities Agreement are true to the extent repeated thereunder and no **[**Default**]** **[**Certain Funds Default**]** is continuing or would result from the Utilisation to which this Utilisation Request relates**].**

4. The proceeds of this drawdown should be credited to **[***insert account details***]**.

5. This Utilisation Request is irrevocable.

Yours faithfully

for and on behalf of
[Name of Borrower]

---

(6) To be included only in Utilisation Requests in relation to the Additional Revolving Facility or, in respect of Euro or USD only, the C (Additional Senior Financing) Facility.

(7) To be included only in Utilisation Requests in relation to the Additional Revolving Facility

SCHEDULE 5

MANDATORY COST FORMULAE

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the "**Additional Cost Rate**") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Advance) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Agent. This percentage will be certified by that Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Advances made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of Advances made from that Facility Office.

4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Agent as follows:

(a) in relation to a sterling Advance:

$$\frac{AB+C(B-D)+E\times 0.01}{100-(A+C)} \textit{ per cent. per annum}$$

(b) in relation to an Advance in any currency other than sterling:

$$\frac{E\times 0.01}{300} \textit{ per cent. per annum}$$

Where:

(A) is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

(B) is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Advance is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Clause 23.2 (*Default Rate*)) payable for the relevant Interest Period on the Advance.

(C) is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

(D) is the percentage rate per annum payable by the Bank of England to the Agent on interest bearing Special Deposits.

(E) is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.

5. For the purposes of this Schedule 5:

(a) "**Eligible Liabilities**" and "**Special Deposits**" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "**Fees Rules**" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) "**Fee Tariffs**" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) "**Tariff Base**" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Agent pursuant to this Schedule 5 in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

13. The Agent may from time to time, after consultation with the Parent and the Lenders, determine and notify to all Parties any amendments which are required to be made to this Schedule 5 in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

SCHEDULE 6

PART I—FORM OF AUDITORS' CONFIRMATION

To: The Agent

Date: [ ]

Dear Sirs

We refer to the facilities agreement (the "**Facilities Agreement**"), dated 6 June 2006 (as amended and restated, most recently on [ ] 2011) and made between, among others, Ypso France SAS as the Company, BNP Paribas as Agent and as Security Agent, the Original Guarantors and Mandated Lead Arrangers referred to therein and the financial and other institutions named therein as Lenders. Terms defined in the Facilities Agreement have the same meanings herein.

We refer to the financial statements of the Company for the financial year ended **[ ]** (the "**Relevant Accounts**") and the attached certificate of the directors of the Company, amongst other things, setting out computations to establish compliance with the financial covenants set out in Clause 19 (*Financial Condition*) of the Facilities Agreement.

We confirm that the numbers on which those computations are based have been calculated as per the definitions in the Facilities Agreement.

The confirmation contained in this letter is given on the basis of work carried out as part of the annual audit of the Company and the Group and no additional enquiry or investigation has been made relating to the matters covered by this confirmation.

Yours faithfully

[***Auditors***]

PART II—FORM OF COMPLIANCE CERTIFICATE

To: The Agent

Dear Sirs

Certificate dated [ ] in respect of the period ended [ ] (the "Certification Date")

We refer to the facilities agreement (the "**Facilities Agreement**") dated 6 June 2006 (as amended and restated, most recently on [ ] 2011) and made between, among others, Ypso France SAS as the Company, BNP Paribas as Agent and as Security Agent, the Original Guarantors and Mandated Lead Arrangers referred to therein and the financial and other institutions named therein as Lenders. Terms defined in the Facilities Agreement have the same meanings herein.

1. This Compliance Certificate is provided in accordance with Clause 18.5 (*Compliance Certificates*) of the Facilities Agreement.

2. I, **[ ]**, being an Authorised Officer of the Company as at the date hereof, confirm that the financial covenants contained in Clause 19 (*Financial Condition*) of the Facilities Agreement have been complied with as at the Certification Date.

3. Our confirmation is based on the following:

(a) The ratio of **[ ]** to **[ ]** for the period ending on the Certification Date was **[ ]**.

[*Set out confirmations of each ratio required to be met by Clause 19 and of each element required to determine each ratio***]**

4. We further confirm that no Default is continuing as at the Certification Date.

Signed:

Name:

Title:

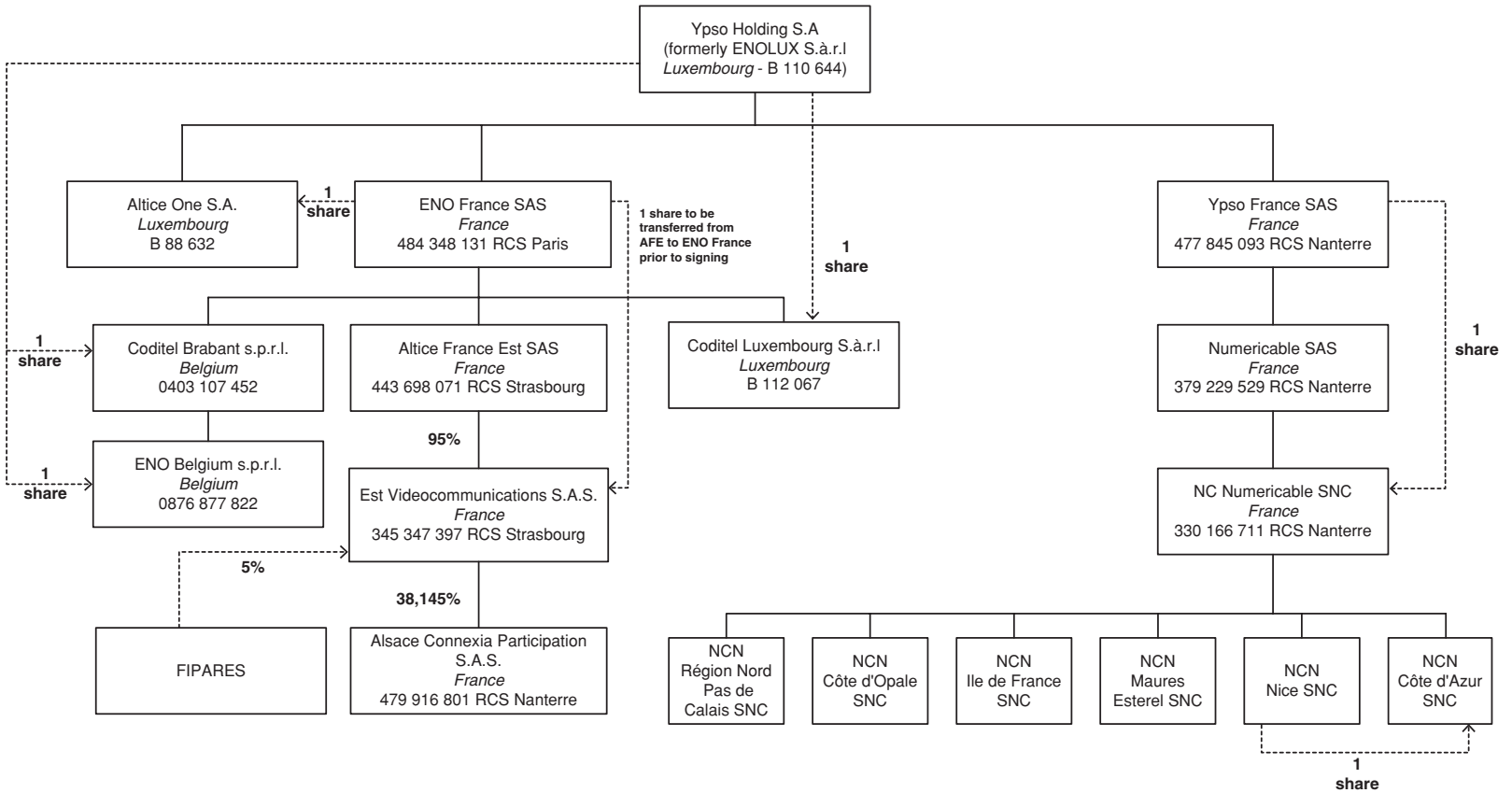
Date:

SCHEDULE 7

GROUP STRUCTURE CHARTS

PART I

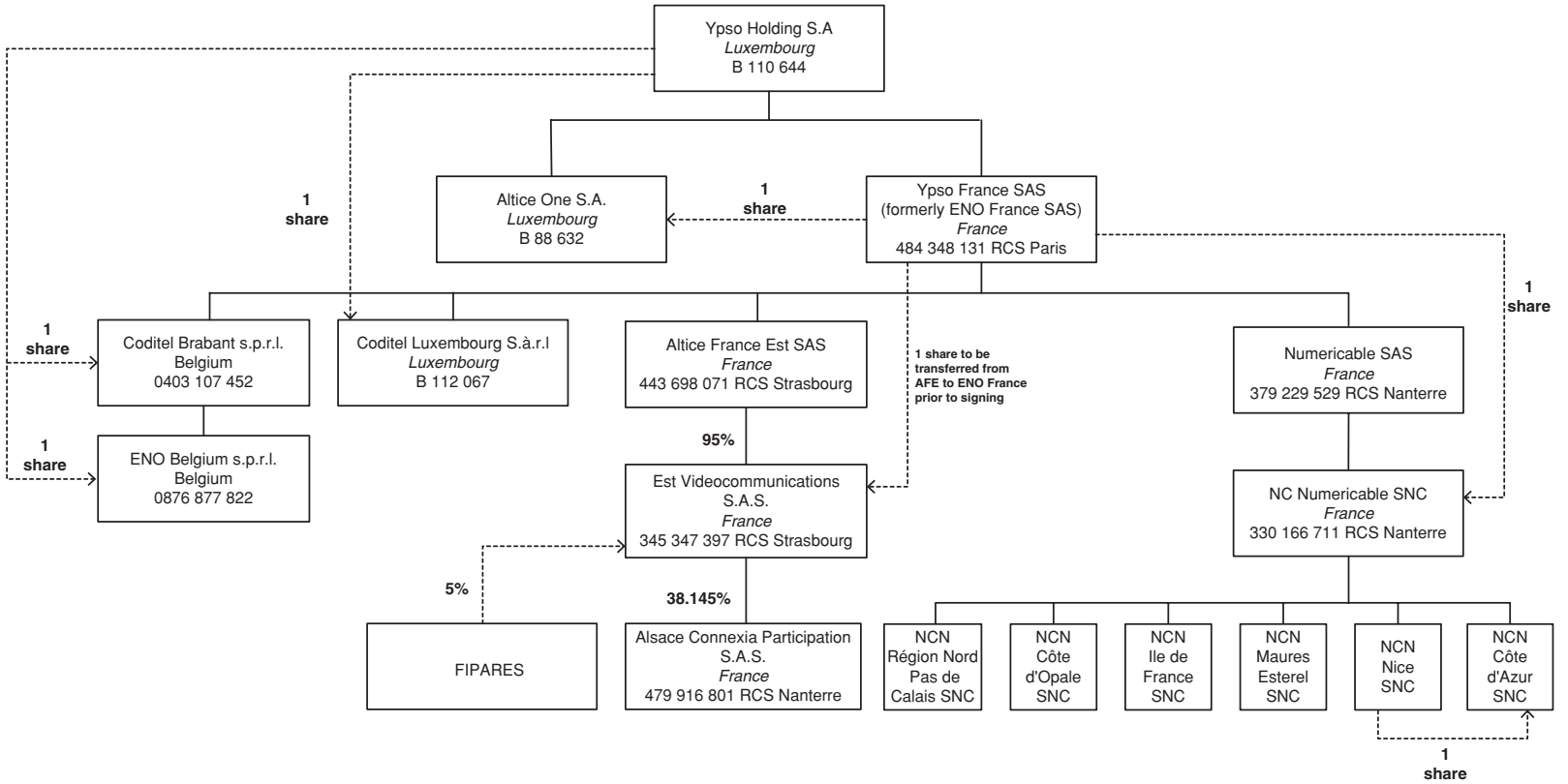
At Signing Date: Post Luxembourg merger



All wholly owned, except as marked

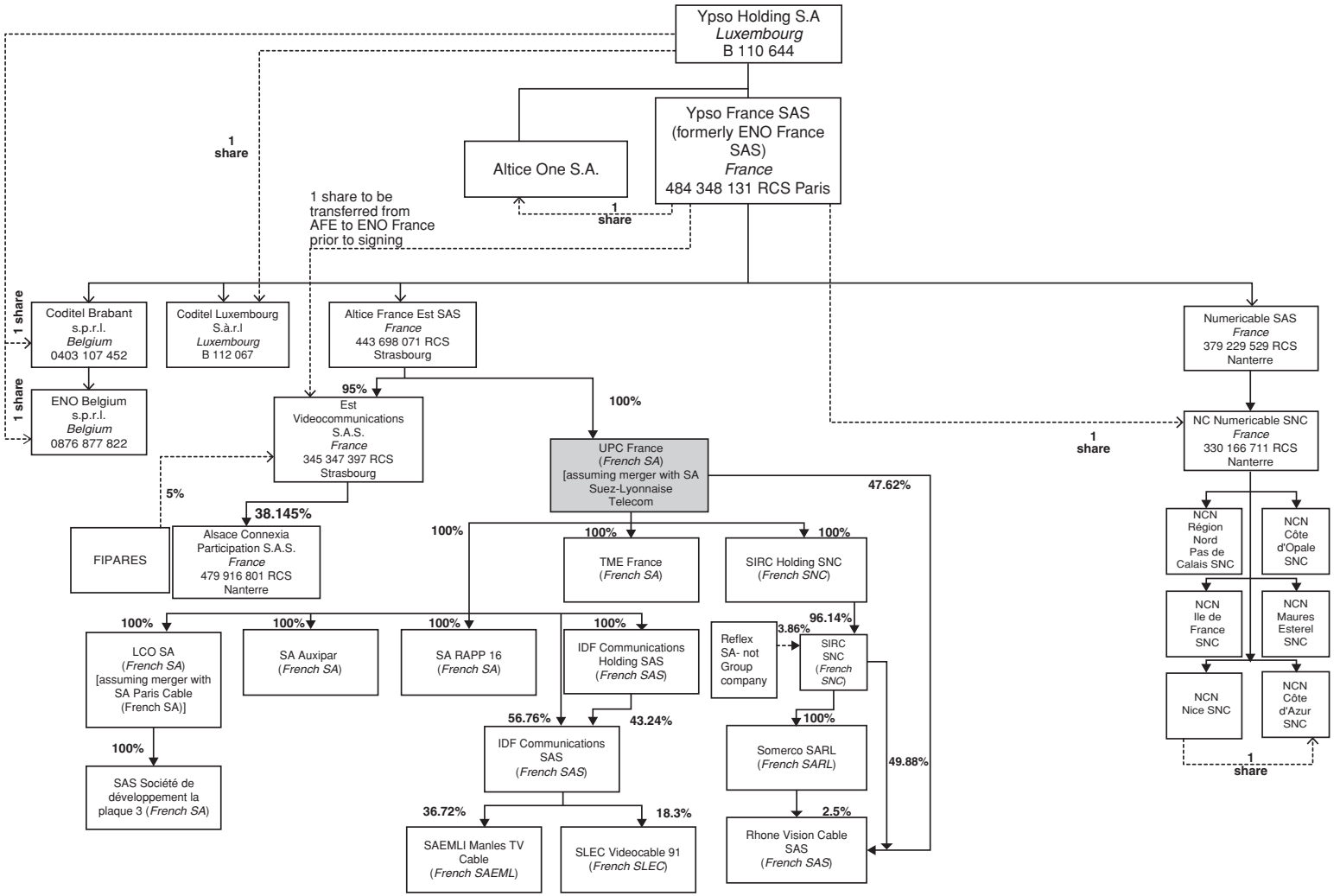
PART II

At Initial Closing Date: Post French merger



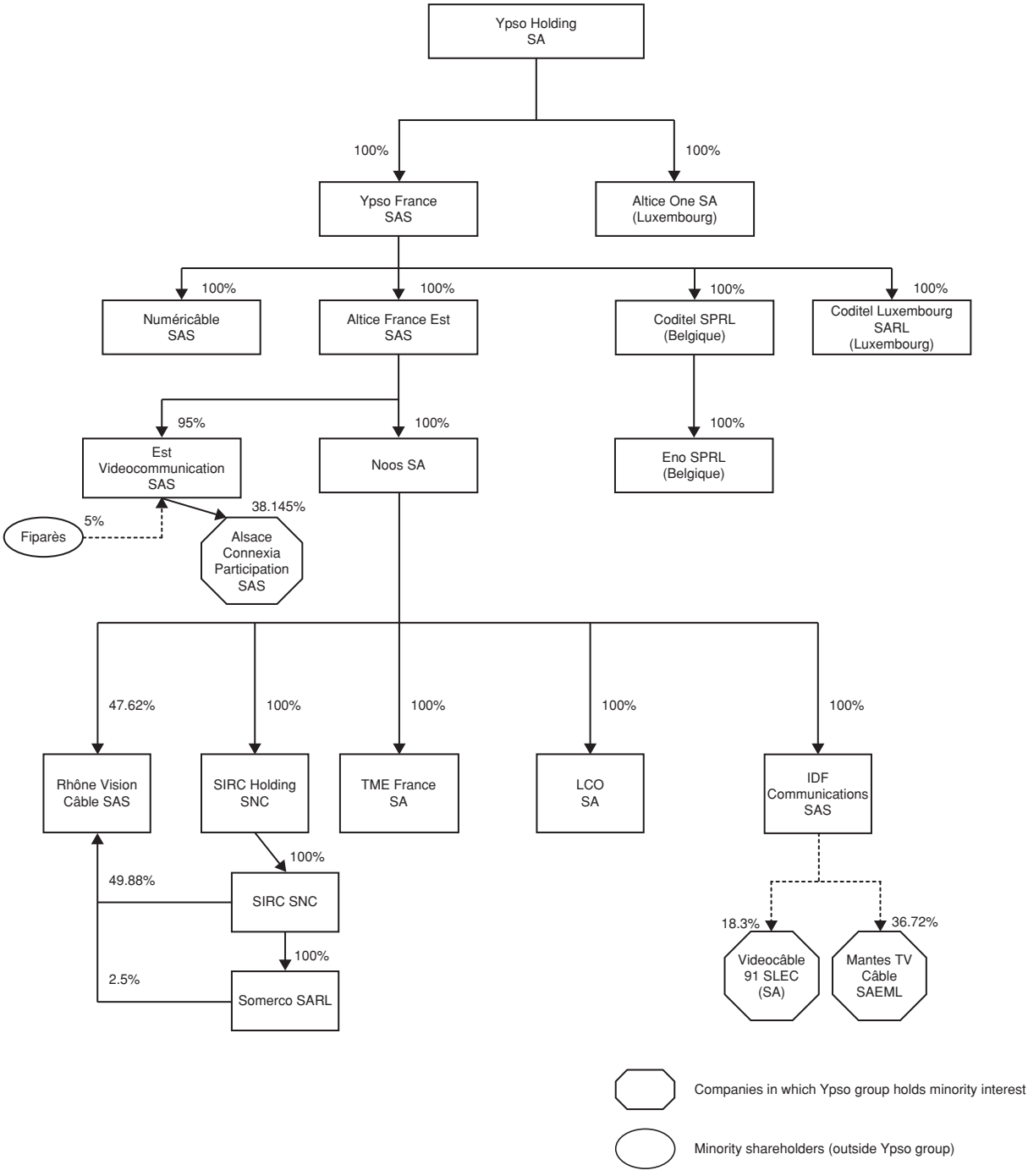
PART III

At Acquisition Closing Date: Post Noos acquisition



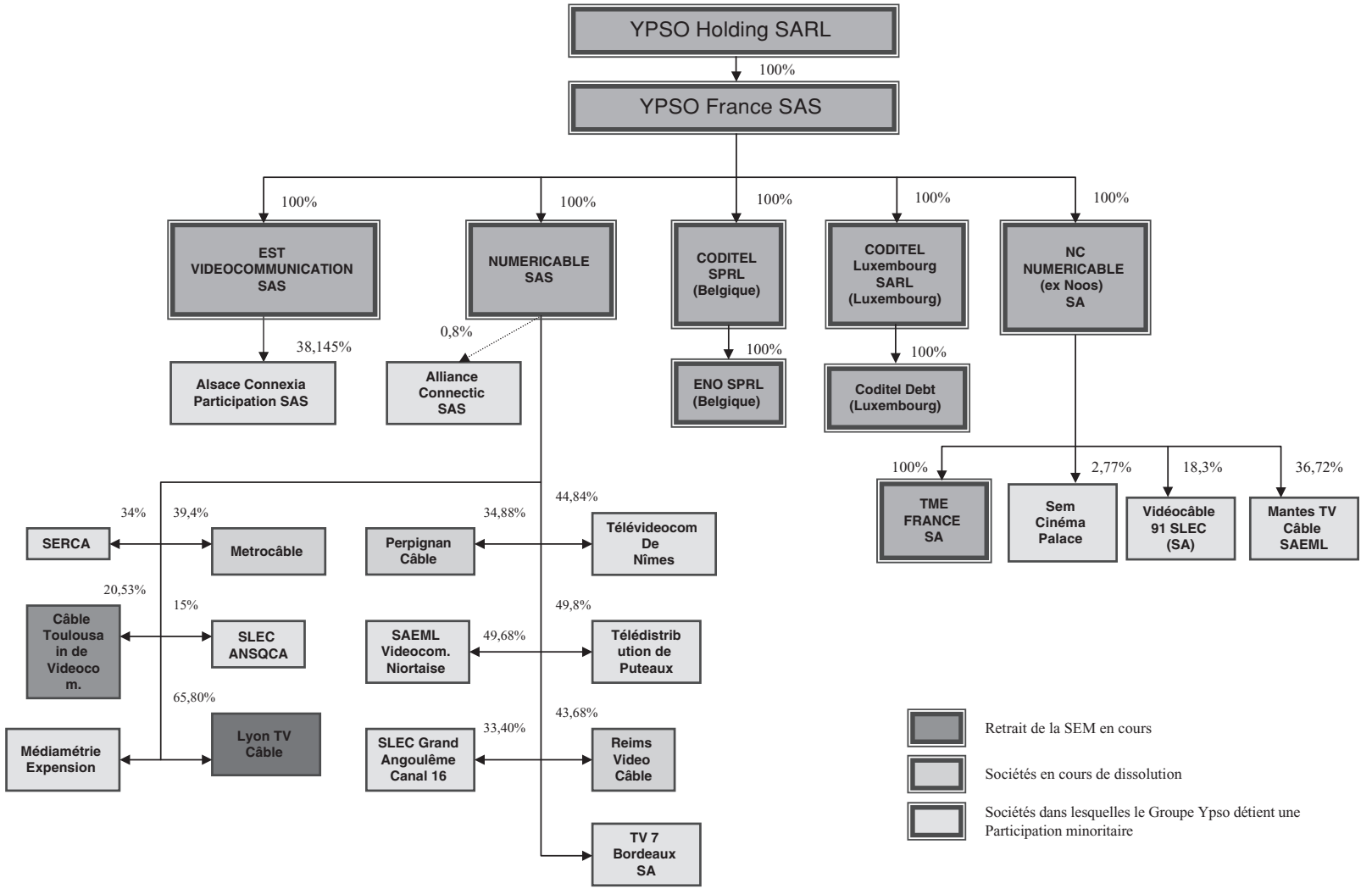
PART IV

At date of Amendment and Restatement Agreement



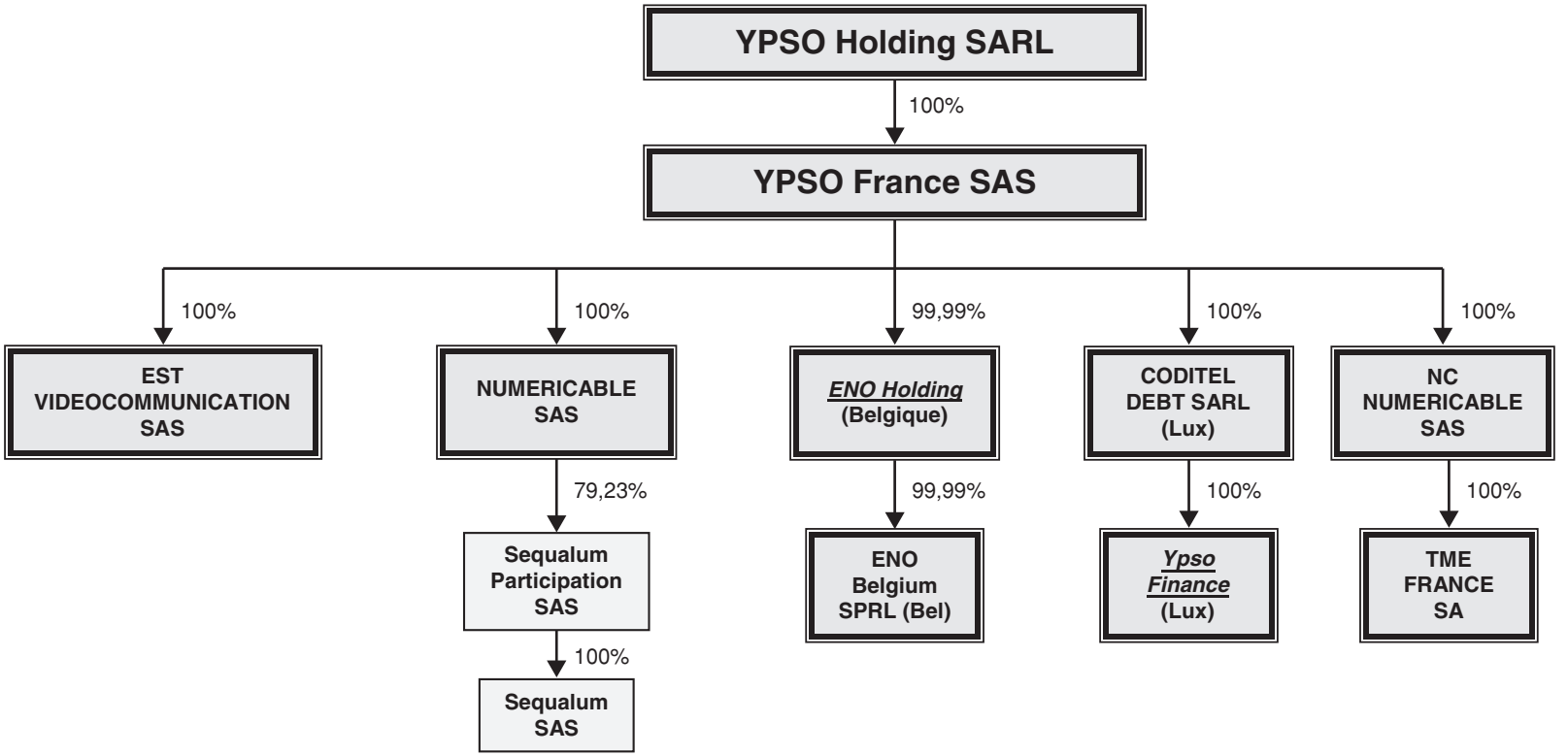
PART V

At date of Fourth Amendment Agreement



PART VI

At date of Fifth Amendment Agreement



SCHEDULE 8

EXISTING ENCUMBRANCES, FINANCIAL INDEBTEDNESS AND GUARANTEES

PART I

EXISTING ENCUMBRANCES

1. Numéricâble

1.1 Pledge of investment securities in the amount of €453,294 to Société Générale.

1.2 UGRC, ("*privilèges de la sécurité sociale et des régimes complémentaires*") €2,464 (April 2006).

1.3 CRICA ("*privilèges de la sécurité sociale et des régimes complémentaires*") €106,798 (April 2006).

1.4 ANEP) ("*privilèges de la sécurité sociale et des régimes complémentaires*") €78,437 (April 2006).

1.5 French tax administration (*privilège du trésor public*) €2,572,584 (February 27, 2006).

2. NC Numéricâble

2.1 French tax administration (*privilège du trésor public*) €74,805 (May 2, 2005).

2.2 French tax administration (*privilège du trésor public*) €14,393 (March 21, 2006).

3. NC Numéricâble Côte d'Azur

3.1 French tax administration (*privilège du trésor public*) €185,013 (October 14, 2003)

4. NC Numéricâble Nice

4.1 French tax administration (*privilège du trésor public*) €133,050 (November 6, 2002).

5. LCO

5.1 French tax administration (*privilège du trésor public*) €76,762 (August 29, 2005).

6. SLT

6.1 French tax administration (*privilège du trésor public*) €466,191.

PART II

EXISTING FINANCIAL INDEBTEDNESS

A Debt not being refinanced

1. Numéricâble finance leases

Numericable			Initial Amount	Expired Date	Outstand Capitaling	
Tours	**Finance lease of Guyancourt**	**191/100**	**1,071,721.32**	**30/06/2007**	**1,20**	
Tours	**Network assets Finance lease Network assets**	**191/01**	**201,341.68**	**30/06/2007**	**34,365**	
Saint Quentin .	**Finance lease of Guyancourt**		**1,524,490.17**	**04/11/2011**	**423,219**	**au 5/12/06**
Selsi	**Finance lease, hardware**	**CSF04SDS0279B**	**1,674,100**	**30/05/2008**	**772,200**	

2. Numéricâble other bank debt

2.1 Numéricâble SAS: Not exceeding €8,000,000.

3. Est Videocom

3.1 Debt amounting to €90,000, payable to the Communauté des communes de Marckolsheim.

4. Altice France Est

4.1 Financial Indebtedness in a maximum principal amount of €6,193,000 owed by Altice France Est to Altice One under a current account arrangement.

5. Target group companies

5.1 A loan made by Entenial to a Subsidiary of the Target. Principal amount outstanding as at December 2005 was €1,296,176.

5.2 Two loans with Caisse d'Epargne to Subsidiaries of the Target. Principal amount outstanding as at December 2005 was respectively €224,326 and €501,642.

5.3 Overdraft facility. Principal amount outstanding €13.1m.

6. UPC France

6.1 Lease of headquarters building at Champs sur Marne ("Capital Lease" referred to in Acquisition Agreement). Principal amount €5.3m.

6.2 Finance leasing

7. LCO

7.1 8 equipment leasing contracts (*credit-bail mobilier*) regarding computers and photocopier (global amount of €419,643).

8. Vidéocâble 91 SLEC

8.1 4 equipment leasing contracts (*credit-bail mobilier*) relating to vehicles of Vidéocâble 91 SLEC (global amount of €10,751).

B Debt being refinanced

The Existing Facilities

PART III

GUARANTEES

1. A guarantee of the obligations of NC Numéricâble and/or its Subsidiaries to the Trésor Public de Fréjus in the amount of €208,019 in respect of a tax claim relating to professional taxes ("*taxe professionnelle*").

2. A guarantee of the obligations of NC Numéricâble and/or its Subsidiaries to the Trésor Public d'Issy-les-Moulineaux in the amount of €453,294 in respect of a tax claim relating to professional taxes ("*taxe professionnelle*").

3. A guarantee of the obligations of NC Numéricâble and/or its Subsidiaries to SCI Lyon Hôtel et Congrès in the amount of €44,489 in respect of rental obligations.

4. A bank guarantee in the amount of €4,077,887.05 (12 months' rent, including taxes) was paid for the premises located 2-22, place des Vins de France, Paris.

SCHEDULE 9

AGREED SECURITY PRINCIPLES

1. With regard to any proposed Security to be provided due regard shall be paid to the following:

(b) any risk that the directors and officers of a company being asked to provide or procure the granting of security or entering into security documents could be held to be in breach of applicable company or criminal law in doing so provided that reasonable endeavours are made to overcome any such obstacles;

(c) the practicality and costs involved in taking any such security compared to the potential benefit to the Finance Parties, especially, but not limited to, the materiality of the proposed security interest to the Finance Parties in light of the aggregate security already or proposed to be provided to them;

(d) specific provisions of local law as advised by the advisers to the Agent and the advisers to the Company;

(e) the ability of each company which is proposed to provide security to the Finance Parties to operate in the ordinary course of its business and in the ordinary course of trade with regard to its current practices and the local market practice applicable in the jurisdictions the respective company has business operations;

(f) if in a jurisdiction Security over an asset or a class of assets can be taken by way of an undisclosed document and by way of a disclosed document, Security shall be taken by way of an undisclosed document if a disclosed document does not result in a material increase (relative to an undisclosed document) in the qualities or strength of such Security;

(g) if in a jurisdiction Security over an asset or a class of assets can be taken by way of a registered document or by way of an unregistered document, Security shall be taken by way of an unregistered document if a registered document does not result in a material increase (relative to an unregistered document) in the qualities or strength of such Security;

(h) if in a jurisdiction Security over an asset or a class of assets (1) has to be made public by way of announcement in a gazette (or the legal advisers to the Security Agent advise that it will materially improve the strength or quality of such Security) such Security shall only be required to be granted or (where the Security Agent has been advised as above) announced in a gazette if (a) security over such asset or class of assets is material in light of the aggregate security already or proposed to be provided and (b) the relevant obligor's commercial relationships with actual or prospective counterparties could not reasonably be expected to be prejudiced by the relevant announcement, as advised in good faith by the Company;

(i) assets (other than shares in companies that are not joint ventures and intellectual property) subject to existing third party arrangements (including, without limitation, any landlord's superior interest, transfer restrictions, pre-emption rights, permitted security interests and joint venture voting reserved matters or put and call arrangements) which prevent those assets from being charged will not be required to be subject to any Security provided that in respect of assets material in light of the aggregate security already or proposed to be provided the Company uses reasonable endeavours to obtain any necessary consent or release which, for the avoidance of doubt, will not require the Company to take any action which could reasonably be expected to damage its commercial relationship with the relevant third party or to pay any fees or third party expenses;

2. With regard to guarantees due regard shall be had to the following:

(a) all upstream and cross-stream guarantees (if any) must be limited by corporate benefit restrictions if so required;

(b) all guarantees must be limited by financial assistance restrictions if so required;

(c) all guarantees must be limited to the extent necessary in order to avoid any personal civil or criminal liability of any director or officer arising as a result of providing such guarantee or such guarantee being enforced by the Security Agent or the Lenders;

(d) any Security shall to the extent legally possible secure the obligations of all Obligors under the Finance Documents and shall to the extent legally possible create valid, perfected and first priority security over such assets (subject to the priorities set out in the intercreditor agreement);

(e) the provisions of all Security Documents should operate only so as to create and preserve effective security and shall not impose commercial undertakings or representations and warranties or include any provisions which are credit protections or which seek to preserve the value of assets, nor indemnities, in each case unless those are required for the purpose of monitoring the secured assets or are required for the effective creation, operation or perfection of the Security. Each provision shall further take into account the amount of management time required to administer the proposed Security;

(f) save in the case of security over real estate and shares each obligor shall be permitted to make use of assets (over which it has granted security) in its ordinary course of business and trade, including, but not limited to, disposals in the ordinary course of its business or trade without giving prior notice and without prior consent required (unless such notice or consent is required pursuant to the terms of the other Finance Documents);

(g) all security over bank accounts (other than any mandatory prepayment accounts) will permit the relevant obligor to operate those accounts freely without reference to the Security Agent prior to the enforcement of the Security Documents. Security over banks accounts shall require the relevant security provider to use reasonable endeavours to procure that the account bank waives any right of set-off or other interest arising by law or under its general business conditions;

(h) in relation to share pledges the relevant pledgor shall be permitted to exercise voting rights in relation to the shares pledged, however in a manner that would not be prejudicial to the validity of the security created by the share pledge. Each pledgor shall further be entitled to retain all dividends and distributions (if made in compliance with the terms of the other Finance Documents) for so long as Security Documents have not been enforced;

(i) if not otherwise required by law upon complete and irrevocable satisfaction of the secured obligations the Security Agent shall promptly thereafter at the costs and expense of the respective chargor release, reassign or retransfer the respective asset or class of assets including all documents deposited with the Security Agent or any nominee of the Security Agent to the chargor provided that the Security Agent is satisfied (acting reasonably) that there is no risk that any amount of the secured obligations paid shall be avoided or reduced by bankruptcy, insolvency or similar laws. If the Security Agent or any of its nominees holds physical possession of any asset such physical possession shall be transferred to the chargor, subject to the same conditions. Such chargor shall accept such release, reassignment or retransfer. The Security Agent (on behalf of the Finance Parties) will promptly release, reassign or retransfer the respective asset or class of assets to a third party if so required by mandatory law. In the event of a permitted disposal of any asset, the Security Agent shall

similarly promptly release such asset from any and all security to which it is subject. In the event of a permitted disposal of a Guarantor, the guarantee granted by that Guarantor (and all security granted by it and all security and guarantees granted by it and any of its subsidiaries (if any)) shall be similarly released;

(j) no security shall be taken over receivables if it would require any periodic filings or any notice to, or consent of, debtors or other third parties;

(k) no security shall be taken over moveable plant or equipment if it would require any labelling or segregation of that plant or equipment;

(l) no security shall be taken over any stock in trade if it would require any item-specific or periodic listing of stock in trade or any segregation thereof;

(m) the aggregate cost to the Group of providing security (including stamp duty, notarial costs, registration fees and the fees and costs of counsel to the Agent and the Security Agent) after the Acquisition Closing Date and other than in respect of (i) Security granted in connection with the accession of the Target and its Subsidiaries as Borrowers and/or Guarantors, (ii) security granted in respect of any acquisition of a material company or business (being companies or businesses with an enterprise value of more than €75,000,000), (iii) security granted as a result of any subsidiaries becoming a Material Subsidiary and acceding as a Guarantor; and (vi) security granted (or amended or regranted in connection with a Permitted Restructuring) shall not exceed €10,000 per annum without the prior approval of the Company not to be unreasonably withheld if it would result in a material deterioration of the security package taken as a whole and

(n) any pledge of on-going business will be limited to principal places of business and no schedules of assets will be required to be provided.

SCHEDULE 10
STATISTICS REPORT

YPSO Group—Statistics Report

N	MONTH			PREVIOUS YEAR		CUMUL YTD		
To be added **To be removed**	**Actual June 2009**	**Budget June 2009**	**Actual vs Budget**	**Actual June 2008**	**(n) vs (n-1)**	**Actual June 2009**	**Budget June 2009**	**Actual vs Budget**
Homes passed TV								
Homes ready for service—Internet								
Homes ready for service—Telephony								
Individual TV subscribers								
Analog								
Digital								
Total individual TV subscribers								
Bulk TV subscribers								
Analog								
Digital								
Total bulk TV subscribers								
Total TV subscribers								
Internet subscribers								
Telephony subscribers								
Total RGU								
Unique Individual French Subscribers								
France: # of RGUs / Unique Subs								
Penetration TV								
Penetration Internet								
Penetration Telephony								
Gross Adds Individual TV								
Gross Adds Internet								
Gross Adds Telephony								
Disconnections Individual TV								
Disconnections Internet								
Disconnections Telephony								
Annualised churn rate TV								
Annualised churn rate Internet								
Annualised churn rate Telephony								
ARPU TV								
ARPU Internet								
ARPU Telephony								
French Bulk TV ARPU								
French Individual TV ARPU								
Blended ARPU (per RGU)								
Unique Individual French Subscriber ARPU								
White Label Subscribers								

N	MONTH			PREVIOUS YEAR		CUMUL YTD		
To be added **To be removed**	**Actual June 2009**	**Budget June 2009**	**Actual vs Budget**	**Actual June 2008**	**(n) vs (n-1)**	**Actual June 2009**	**Budget June 2009**	**Actual vs Budget**
TOTAL REVENUES (€'000s)								
TV								
Internet								
Telephony								
Installations								
Other								
VOD & Interactive Services								
Mobility								
SoHo—Cable								
Wholesale—White Label								
Wholesale—Traditional								
GROSS MARGIN (€'000s)								
EBITDA (€'000s)								
As a % of revenues								
Triple-Play Access—Cable								
Triple-Play Access—DSL								
VOD & Interactive Services								
Mobility								
Wholesale								
CAPEX (€'000s)								
CASH ON HAND (€'000s)								
OUTSTANDING DEBT (€'000s)								
Headcount (quarterly only)								
Exceptional Costs (€'000s)								

SCHEDULE 11

LIST OF INITIAL RESTRUCTURING DOCUMENTS

France

YPSO France SAS

1. Decision of the sole shareholder of YPSO France SAS approving the merger

2. Report of the President of YPSO France SAS in relation to the merger

3. Auditors' report with regard to the valuation of YPSO France SAS's contribution

4. Releases of the merger in a legal newspaper (« *journal d'annonce légales »)* in the location of the headquarters of YPSO France SAS

5. Amended K-bis extract for Ypso France with regard to the merger with Eno France (to be provided as soon as available if not available prior to the Initial Closing Date)

Eno France SAS

6. Decision of the sole shareholder of Eno France SAS approving notably the merger and deciding the share capital increase

7. Report of the President of Eno France SAS in relation to the merger

8. Releases of the merger in a legal newspaper (« *journal d'annonce légales »)* in the location of the headquarters of Eno France SAS

9. Amended K-bis extract for Eno France with regard to the merger with Ypso France (to be provided as soon as available if not available prior to the Initial Closing Date)

Other

10. Merger agreement between YPSO France SAS and Eno France SAS

11. Joint application to the président of the commercial court to appoint an auditor for the merger (« *requête conjointe aux fins de nomination d'un commissaire à la fusion* »)

12. *Ordonnance* for the appointment of the auditor for the merger

13. Auditors' report with regard to the terms and conditions of the merger

14. Compliance report ("*déclaration de conformité*") done by Eno France and Ypso France with regard to their merger (to be provided as soon as available if not available prior to the Initial Closing Date)

Luxembourg

Agreements

1. Eno Lux 1 S.à.r.l. and Altice Two S.A. subscription agreement relating to 478,267 preferred equity certificates

2. Eno Lux 1 S.à.r.l. terms and conditions of 478,267 preferred equity certificates

3. Eno Lux 1 S.à.r.l. and funds managed by Cinven subscription agreement relating to 1,115,976 preferred equity certificates

4. Eno Lux 1 S.à.r.l. terms and conditions of 1,115,976 preferred equity certificates

5. Eno Lux 1 S.à.r.l. and funds managed by Cinven subscription agreement relating to 1,787,710 yield free preferred equity certificates

6. Eno Lux 1 S.à.r.l. terms and conditions of 1,787,710 yield free preferred equity certificates

7. Eno Lux 1 S.à.r.l. and Altice Two S.A. subscription agreement relating to 766,187 yield free preferred equity certificates

8. Eno Lux 1 S.à.r.l. terms and conditions of 766,187 yield free preferred equity certificates

9. Eno Lux 1 S.à.r.l. and funds managed by Cinven subscription agreement relating to 10,255,054 convertible preferred equity certificates

10. Eno Lux 1 S.à.r.l. terms and conditions relating to 10,255,054 convertible preferred equity certificates

11. Eno Lux 1 S.à.r.l. and Altice Two S.A. subscription agreement relating to 4,395,018 convertible preferred equity certificates

12. Eno Lux 1 S.à.r.l. terms and conditions relating to 4,395,018 convertible preferred equity certificates.

13. Eno Lux 1 S.à.r.l., Altice Two S.A., and funds managed by Cinven and YPSO Holding S.A. share transfer agreement

14. Eno Lux 1 S.à.r.l. and YPSO Management Benetti S.E.C.S. equity contribution agreement

Eno Lux 1

15. Eno Lux 1 S.à.r.l. Convocation letters for a *Réunion du Comité des Associés* dated 6 June 2006

16. Eno Lux 1 S.à.r.l. resolutions of the *comité des associés de la société* dated 6 June 2006

17. Eno Lux 1 S.à.r.l resolutions of the manager of the company dated 6 June 2006

18. Eno Lux 1 S.a.r.l. minutes of the extraordinary general meeting dated 6 June 2006

19. Eno Lux 1 S.à.r.l. minutes of extraordinary general meeting relating to increase of share capital dated 10 November 2005

20. Eno Lux 1 S.à.r.l. RCS company register extract

21. Eno Lux 1 S.à.r.l. shareholders register

22. Eno Lux 1 S.à.r.l. articles of association (*Constitution d'une Société à Responsabilité Limitée*) dated 13 September 2005

YPSO Holding S.A.

23. YPSO Holding S.A. *dissolution par la réunion de toutes les actions en une seule main* dated 26 May 2006

ING RPFFB Soparfi Finco S.à.r.l.

24. ING RPFFB Soparfi Finco S.à.r.l. RCS company register extract

Coditel S.àR.l.

25. Coditel S.àR.l. RCS company register extract

Reports

26. Valuation report in relation to YPSO Holding S.A.'s equity given to Eno Lux 1 in exchange for the A and C shares

Recap Documents

1. Notice of prepayment of PECs signed by Coditel S.àR.L.

2. Resolution of the board of directors of Coditel S.àR.L. approving the prepayment

3. Resolution of the sole shareholder of the Company approving the distribution of the merger premium to the Parent and decision by the President of the Company to distribute the merger premium.

4. Resolution of the board of directors of the Parent approving the redemption of shareholder debt.

SCHEDULE 12

INTENTIONALLY LEFT BLANK

SCHEDULE 13

ACCESSION DOCUMENT

THIS ACCESSION DOCUMENT is entered into on **[ ]** by **[ ]** (the "**Subsidiary**") by way of a deed in favour of the Agent, the Arrangers and the Lenders (each as defined in the Senior Facility Agreement as defined below)

BACKGROUND

(A) By a €3,225,000,000 senior facility agreement (the "**Senior Facility Agreement**") dated 6 June 2006 (as amended and restated, most recently on [ ] 2011) and made between, amongst others, (1) the Parent, (2) the Company, (3) the companies named in the Senior Facility Agreement as Original Borrowers and/or Original Guarantors, (4) the banks and financial institutions named in the Senior Facility Agreement as Lenders and (5) BNP Paribas as Agent and Security Agent, the Lenders agreed to make certain facilities available to the Borrowers.

(B) The Subsidiary will become an Additional **[**Borrower/Guarantor**]** pursuant to Clause 24.12 (*Changes to Obligors*) of the Senior Facility Agreement.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. Words and expressions defined in the Senior Facility Agreement have the same meanings when used herein.
2. The Subsidiary is a company duly organised under the laws of **[***insert relevant jurisdiction***]**.
3. The Subsidiary confirms that it has received from the Company a true and up-to-date copy of the Senior Facility Agreement and the other Finance Documents.
4. The Subsidiary undertakes, upon its becoming a **[**Borrower and a Guarantor/Guarantor**]**, to perform all the obligations expressed to be undertaken under the Senior Facility Agreement, the Intercreditor Agreement and the other Finance Documents by a **[**Borrower and a Guarantor/Guarantor**]** and agrees that it shall be bound by the Senior Facility Agreement, the Intercreditor Agreement and the other Finance Documents in all respects as if it had been an original party thereto as an **[**Original Borrower and an Original Guarantor/ Original Guarantor**]**.
5. The Company confirms (for itself and as Obligors' Agent for the other Obligors) that, if the Subsidiary is accepted as an Additional Obligor, the Company's guarantee and indemnity obligations and the guarantee and indemnity obligations of the other Obligors pursuant to Clause 24 (*Guarantee and Indemnity)* of the Senior Facility Agreement will apply to all of the obligations of the Subsidiary under the Finance Documents as an Additional Obligor in all respects in accordance with the terms of the Senior Facility Agreement as if such Subsidiary had been party to the Senior Facilities Agreement as an Original Obligor.
6. The Company confirms that no Event of Default or Default is continuing or will occur as a result of the Subsidiary becoming an Additional Obligor.
7. The Subsidiary confirms the appointment of the Company as its agent on the terms of Clause 25.18 (*Obligors' Agent)* of the Senior Facility Agreement.

8. The Subsidiary confirms that its address details for notices in relation to Clause 35 (*Notices*) are as follows:

Address:	[	]
Facsimile:	[	]
Attention of:	[	]

9. The Subsidiary represents and warrants in the terms set out in Clause 17 (*Representations and Warranties*) of the Senior Facility Agreement and acknowledges that the Agent and the Security Agent enter into this Accession Document in full reliance on those representations and warranties.

10. [Guarantee limit

    Insert limit on guarantee if necessary in relevant jurisdiction]

11. This document (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Agreement) shall be governed by and construed in accordance with English law and, for the benefit of each Finance Party, the Subsidiary irrevocably submits to the jurisdiction of the Courts of England in the same terms as set out in Clauses 42.1 (*Courts of England*) and Clause 42.4 (*Proceedings in Other Jurisdictions*) of the Senior Facility Agreement.

This Accession Document has been executed as a Deed by the Company and the Subsidiary and signed by the Agent on the date written at the beginning hereof.

[**THE COMMON SEAL** of
[***Name of Subsidiary***]
was hereunto affixed in the
presence of:
Director

Director/Secretary

_____
[*insert name of director*]

_____
[*insert name of director/secretary*]

OR
EXECUTED as a **DEED** by
[***Name of Subsidiary***]
acting by

EXECUTED as a **DEED** by

acting by:

_____

_____

THE AGENT
[ ]
By:

SCHEDULE 14

INTERCOMPANY LOANS

Borrower	Lender	Amount as at 31.03.06
Coditel Brabant	ENO France SAS	36.8m€[1] (+5.1m€ current account)[2]
ENO France SAS	Coditel Brabant	36.8m€
Coditel Luxembourg	ENO France SAS	5.7m€[3]
EV	ENO France SAS	7.97m€[4]
AFE	EV	10.1m€[5]
Coditel Brabant	EV	1.0m€[6]
AFE	Coditel Brabant	38.5m€[7]
ENO France SAS	ENO Belgium SPRL	70.2m€
Coditel Brabant	Coditel S.àR.L.	9.3m€[8]
NC Numéricâble	Ypso France	15.9m€[9]
Numéricâble	Ypso France	1.7m€[10]

(1) €36.8m relates to declared but undistributed dividend relating to closing of Altice One acquisition. This amount will be set off automatically against the corresponding debt from Eno France to Coditel Belgium on 14 November 2006.

(2) Undocumented current account, relating to (1) loan made by ENO France to Coditel Brabant at closing of Altice One acquisition plus (2) on-lending of amounts drawn under the existing Altice One revolving facilities, as reduced by interest on existing bank financing paid by Coditel Brabant on behalf of ENO France.

(3) Undocumented current account, (1) loan made by ENO France to Coditel at closing of Altice One acquisition plus (2) on-lending of amounts drawn under the existing Altice One revolving facilities plus (3) re-charging of transaction costs.

(4) Undocumented current account, (1) loan made by ENO France to EV at closing of Altice One acquisition plus (2) on-lending of amounts drawn under the existing Altice One revolving facilities, as reduced by relating to interest on existing bank financing paid by EV on behalf of ENO France.

(5) Pursuant to a loan agreement dated 23 December 2002.

(6) Undocumented current account.

(7) Pursuant to Loan Agreement dated 23 December 2002 between Altice One (lender) and Altice France Est (Borrower), the benefit of which has been transferred to Coditel Brabant.

(8) Pursuant to a loan agreement dated 31 December 2004.

(9) Pursuant to a loan agreement dated 31 March 2005.

(10) Pursuant to a loan agreement dated 31 March 2005 (France Telecom Cable has been renamed as Numéricâble).

SCHEDULE 15

SELECTION NOTICE

APPLICABLE TO AN ADVANCE

From: **[**Borrower**]**

To: **[**Agent**]**

Dated:

Dear Sirs

1. We refer to the facilities agreement (the "**Facilities Agreement**") dated 6 June 2006 (as amended and restated, most recently on [ ] 2011) and made between, among others, Ypso France SAS as the Company, BNP Paribas as Agent and as Security Agent, the Original Guarantors and Mandated Lead Arrangers referred to therein and the financial and other institutions named therein as Lenders. Terms defined in the Facilities Agreement shall have the same meaning in this notice.

2. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

3. We refer to the following **[***Describe***]** Facility Advance[s] with an Interest Period ending on **[ ]**.

We request that the next Interest Period for the above Advances is **[ ]**.

4. This Selection Notice is irrevocable.

Yours faithfully

_____

authorised signatory for
[*name of relevant Borrower*]

SCHEDULE 16

C (ADDITIONAL SENIOR FINANCING) FACILITY COMMITMENT LETTER

NOTICE NUMBER: [1/2/3 ...]

To: The Agent

From: The Company and the Lenders listed below

Dated: [ ]

Dear Sirs,

Ypso France SAS—Senior Facility Agreement
dated 6 June 2006 as amended and restated, most recently on [ ] 2011
(the "Facilities Agreement")

1. We refer to the Facilities Agreement. This letter is a C (Additional Senior Financing) Facility Commitment Letter delivered pursuant to Clause 2.7 (*C (Additional Senior Financing) Facility*).

2. We have agreed with the persons listed below in Schedule 1 (*Lenders and Commitments*) to this letter that they shall commit to lend a C (Additional Senior Financing) Facility tranche with the following terms:

(i) Borrower: The Company

(ii) Principal Amount: [ ]

(iii) Currency: [euro/US dollars]

(iv) Final Maturity Date: [ ]

(v) C (Additional Senior Financing) Facility Commitment Date: [ ]

(vi) Availability Period: [ ]

(vii) Termination Date: [ ]

(viii) Benchmark for interest rate: [EURIBOR/LIBOR/fixed rate of [ ] % p.a.]

(ix) Applicable Margin: [ ]

(x) Mandatory Cost applicable: [Yes/No]

(xi) Rolled-up Margin applicable: [Yes/No]

(xii) Margin Ratchet: [ ]

(xiii) Minimum amount of each Advance: [ ]

(xiv) Financial Covenants: [As set out in the Facilities Agreement / As set out in Schedule 2]

(xv) Other undertakings: [As set out in the Facilities Agreement / As set out in Schedule 2]

(xvi) Events of Default: [As set out in the Facilities Agreement / As set out in Schedule 2]

(xvii) Conditions precedent to Advances: [As set out in Schedule 3]

(xviii) Commissions: the commitment fees payable pursuant to paragraph (b) of Clause 11.1 (*Commitment Fees*) are [[ ]% per annum/Nil]

(xix) Prepayment fees: **[** **]**

(xx) Clause 12 (*Taxes*) applies: **[**Yes/No]

(xxi) Clause 13.1 (*Increased Costs*) applies: **[**Yes/No]

(xxii) [*Insert other terms required or permitted to be included in accordance with the Facilities Agreement*]

3. The tranche to be made available on the above terms and otherwise on the terms of the Facilities Agreement is tranche number **[**1/2/3 ...**]**.

4. By signing this letter, each Lender or other person listed below agrees to commit the Commitments set out against its name in Schedule 1 (*Lenders and Commitments*) to this letter and, in the case of a person which is not a Lender as at the date of this letter, agrees to become a Lender and to assume (and be bound by) the same obligations to each Obligor and each other Finance Party and/or acquire the same rights against each Obligor and each other Finance Party as it would have assumed or acquired had it been an original party to the Finance Documents as a Lender with the rights and obligations assumed and acquired by it under this letter.

5. Terms defined in the Facilities Agreement have the same meaning when used in this C (Additional Senior Financing) Facility Commitment Letter unless otherwise defined herein.

6. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

This is a Finance Document.

We hereby agree and accept to be bound by the terms of this letter and the Facilities Agreement.

THE COMPANY

Signed as a deed by [*name of company*], a
company incorporated in [*territory*], by
[*name[s] of person[s] signing*], being [a] person[s]
who, in accordance with the laws of that territory, [is] [are]
acting under the authority of the company

Authorised Signatory	[Authorised Signatory]

THE LENDER(S)

Signed as a deed by [*name of company*], a
company incorporated in [*territory*], by
[*name[s] of person[s] signing*], being [a] person[s]
who, in accordance with the laws of that territory, [is] [are]
acting under the authority of the company

Authorised Signatory	[Authorised Signatory]

Acknowledged by:

The Agent

Schedule 1

Lenders and Commitments

[include notice details for Lenders]

Schedule 2

Financial Covenants/Other Undertakings/Events of Default

Schedule 3

Conditions Precedent

SCHEDULE 17

QUALIFYING AUCTION MECHANICS

1. The terms of a Qualifying Auction shall include the following:

(a) The buyer shall be the Parent (the "**Purchaser**").

(b) The purchase mechanism shall be by means of an assignment or transfer in accordance with Clause 32 (*Assignments and transfers*) of the Senior Facility Agreement.

(c) The auction shall be in respect of Outstandings and related Commitments where such purchase is made using the Solicitation Process (as defined below).

2. The "**Solicitation Process**" referred to above shall be carried out as follows:

(a) Prior to 11.00 am (London time) on a given Business Day (the "**Solicitation Day**") the financial institution acting on the Purchaser's behalf (such financial institution being he "**Purchase Agent**") will approach at the same time all Lenders which participate in the Facilities to enable them to offer to sell to the Purchaser an amount of their Outstandings. Any Lender wishing to make such an offer shall, by 11.00 am (London time) on the tenth Business Day following the Solicitation Day, communicate to the Purchase Agent details of the amount of its Outstandings, and in which Facilities, it is offering to sell and the price at which it is offering to sell such Outstandings. Any such offer shall be irrevocable until 11.00 am (London time) on the twelfth Business Day following the Solicitation Day and shall be capable of acceptance by the Purchaser on or before such time by communicating it acceptance in writing to the Purchase Agent. The Purchase Agent will communicate to the relevant Lender which offers have been accepted as soon as reasonably practicable thereafter. In any event by 11.00 am (London time) on the thirteenth Business Day following the Solicitation Day, the Purchaser shall notify the Agent of the amounts of the Outstandings purchased through the relevant Solicitation Process and the identity of the Facilities to which they relate.

(b) Any purchase of Outstandings pursuant to a Solicitation Process shall be completed and settled on or before the 27th Business Day after the relevant Solicitation Day.

(c) In accepting any offers made pursuant to a Solicitation Process the Purchaser shall be free to select which offers and in which amounts it accepts but on the basis that in relation to Outstandings in a particular Facility it accepts offers in inverse order of the price offered and that if in respect of Outstandings in a particular Facility it receives two or more offers at the same price it shall only accept such offers on a pro rata basis, subject to any minimum purchase amount requirements in the Senior Facility Agreement.

SCHEDULE 18

ADDITIONAL REVOLVING FACILITY COMMITMENT LETTER

NOTICE NUMBER: [1/2/3 ...]

To: The Agent

From: The Company and the Lenders listed below

Dated: [ ]

Dear Sirs,

Ypso France SAS—Senior Facility Agreement
dated 6 June 2006 as amended and restated, most recently on [ ] 2011
(the "Facilities Agreement")

1. We refer to the Facilities Agreement. This letter is an Additional Revolving Facility Commitment Letter delivered pursuant to Clause 2.8 (*Additional Revolving Facility*).

2. We have agreed with the persons listed in Schedule 1 (*Lenders and Commitments*) to this letter that they shall commit to lend an Additional Revolving Facility Tranche with the following terms:

(ii) Borrowers: [ ]

(iii) Principal Amount: [ ]

(iv) Type of Utilisation:

Advances

Letter of Credit: [Yes/No]

Ancillary Facility: [Yes/No]

(v) Final Maturity Date: [ ]

(vi) Additional Revolving Facility Commitment Date: [ ]

(vii) Availability Period: [ ]

(viii) Termination Date: [ ]

(ix) Applicable Margin: [ ]

(x) Margin Ratchet: [ ]

(xi) Minimum amount of each Utilisation: [ ]

(xii) Clean down: [ ]

(xiii) Conditions precedent to Utilisations: [As set out in Schedule 2 (*Conditions Precedent*)]

(xiv) Commitment fees: the commitment fees payable are [[ ]% per annum/Nil]

(xv) [*Insert other terms required or permitted to be included in accordance with the Facilities Agreement*]

3. The tranche to be made available on the above terms and otherwise on the terms of the Facilities Agreement is tranche number [1/2/3 ...].

4. By signing this letter, each Lender or other person listed below agrees to commit the Commitments set out against its name in Schedule 1 (*Lenders and Commitments*) to this letter and, in the case of a person which is not a Lender as at the date of this letter, agrees to become a Lender and to assume (and be bound by) the same obligations to each Obligor and each other Finance Party and/or acquire the same rights against each Obligor and each other Finance Party as it would have assumed or acquired had it been an original party to the Finance Documents as a Lender with the rights and obligations assumed and acquired by it under this letter.

5. Terms defined in the Facilities Agreement have the same meaning when used in this Additional Revolving Facility Commitment Letter unless otherwise defined herein.

6. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

This is a Finance Document.

We hereby agree and accept to be bound by the terms of this letter and the Facilities Agreement

THE COMPANY

Signed as a deed by [name of company], a
company incorporated in [territory], by
[name[s] of person[s] signing], being [a] person[s]
who, in accordance with the laws of that territory, [is] [are]
acting under the authority of the company

_____ _____

Authorised Signatory [Authorised Signatory]

THE LENDER(S)

Signed as a deed by [name of company], a
company incorporated in [territory], by
[name[s] of person[s] signing], being [a] person[s]
who, in accordance with the laws of that territory, [is] [are]
acting under the authority of the company

_____ _____

Authorised Signatory [Authorised Signatory]

Acknowledged by:

_____

The Agent

Schedule 1

Lenders and Commitments

[***Include Lenders and Commitments under the proposed Additional Revolving Facility Tranche***]

Schedule 2

Conditions Precedent

[*Include conditions precedent under the proposed Additional Revolving Facility Tranche*]

SCHEDULE 19

SENIOR SUBORDINATED NOTES MAJOR TERMS

The Senior Subordinated Notes shall:

1. have a scheduled maturity no earlier than 31 December 2018;

2. have make-whole, call protection or redemption premium, optional redemption, change of control and asset sale provisions, as well as covenants and events of default, each of a type customary for financial instruments similar to the senior subordinated notes issued by financial sponsor portfolio companies in the European market as determined by the Company in good faith;

3. be subject to intercreditor arrangements in a Senior Subordinated Notes Intercreditor Deed;

4. benefit from the Subordinated Guarantees and the Senior Subordinated Notes Security; and

5. if the Senior Subordinated Notes are issued on or before 15 February 2012, have a cash pay yield to maturity (interest and original issue discount and including up-front arrangement and underwriting fees (assuming a six year transaction)) not exceeding 15.50 per cent. per annum (if the Senior Subordinated Notes bear interest at a fixed rate) or EURIBOR/LIBOR plus 13.00 per cent. per annum (if the Senior Subordinated Notes bear interest at a floating rate), provided that this will not restrict the capitalisation of non-cash pay interest or any other non cash-pay return or the accretion of principal or deferral of interest or return as a lump sum that accrues non-cash pay interest or return or similar.[(1)]

---

(1) Pursuant to a letter dated 9 October 2012, the Company has undertaken to the Lenders that it will ensure that:

(a) the yield to maturity (interest and original issue discount, and including up-front arrangement and underwriting fees (assuming a six year transaction)) in respect of any Refinancing Debt incurred after 9 October 2012 will not exceed 13.50 per cent. *per annum* (if it bears interest at a fixed rate) or EURIBOR/LIBOR plus 11.00 per cent. *per annum* (if it bears interest at a floating rate); and

(b) the cash pay yield to maturity (interest and original issue discount and including up-front arrangement and underwriting fees (assuming a six year transaction)) in respect of any Senior Subordinated Notes issued after 9 October 2012 will not exceed 15.50 per cent. *per annum* (if they bear interest at a fixed rate) or EURIBOR/LIBOR plus 13.00 per cent. *per annum* (if they bear interest at a floating rate) provided that this will not restrict the capitalisation of non-cash pay interest or any other non cash-pay return or the accretion of principal or deferral of interest or return as a lump sum that accrues non-cash pay interest or return or similar.

SCHEDULE 20

CONDITIONS TO ISSUANCE OF SENIOR SUBORDINATED NOTES

The conditions referred to in the definition of "Senior Subordinated Notes" shall comprise the following:

1. each of the Senior Subordinated Issuer and the relevant Obligors having executed and delivered to the Security Agent the Fifth Amendment Security Documents in the forms agreed between the Company and the Agent prior to the date of the Fifth Amendment Agreement (taking into account any necessary legal updates as a result of changes in applicable law since the date of the Fifth Amendment Agreement) or otherwise in form and substance satisfactory to the Agent (acting reasonably), in favour of the Finance Parties (subject to the Agreed Security Principles);

2. each of the Subordinated Proceeds Loans and any Subsidiary Proceeds Loans executed by all relevant parties;

3. the Senior Subordinated Notes Trustee, the Senior Subordinated Issuer and the Subordinated Guarantors having executed and delivered to the Security Agent the Senior Subordinated Notes Intercreditor Deed;

4. the provision of legal opinions from (i) Linklaters Paris and Luxembourg offices to the Agent in respect of the Fifth Amendment Security Documents and the Senior Subordinated Notes Intercreditor Deed, covering (to the extent relevant) the same matters as the matters covered by the opinions issued by that firm in respect of the Security Documents executed in connection with the Fourth Amendment Agreement and (ii) counsel to the Senior Subordinated Issuer and the Obligors covering capacity and authorisation in the same form (*mutatis mutandis*) as those provided as conditions precedent to the occurrence of the Fifth Amendment Agreement Effective Date;

5. if a Cash Cover Undertaking has been executed by the Parent, evidence that the Cash Cover Account has been opened and a copy of the duly executed Cash Cover Undertaking; and

6. if a Cash Cover Undertaking has been executed by the Parent, execution of confirmation letters by the Parent in respect of each of the Security Documents governed by French law and Luxembourg law and executed by the Parent, confirming that such security will be enforceable upon the breach by it of any such cash cover undertaking.

SCHEDULE 21

FORM OF SENIOR SUBORDINATED NOTES INTERCREDITOR DEED

AGREED FORM

dated [ ] 2011

[ ]
as the Senior Subordinated Issuer

YPSO HOLDING SARL
as the Parent

CERTAIN SUBSIDIARIES OF THE PARENT
as Obligors

[ ]
as Senior Subordinated Notes Trustee

[ ]
as Senior Subordinated Notes Collateral Agent

and

BNP PARIBAS
as Senior Agent and Security Agent

SENIOR SUBORDINATED NOTES INTERCREDITOR AGREEMENT
relating, *inter alia*, to a Senior Facilities Agreement and an issue of Senior Subordinated Notes

Linklaters

Ref: L-192574

Linklaters LLP

CONTENTS

THE SCHEDULES

THIS AGREEMENT is dated [ ] 2011 and made between:

(1) [ ] (the "**Senior Subordinated Issuer**");

(2) YPSO HOLDING SARL (formerly named ENOLUX1 SARL), a Luxembourg société à responsabilité limitée with registered office at 37, rue d'Anvers, L-1130 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under no. B 110.644 and to whose corporate capital is €41,898,225 (the "**Parent**");

(3) THE PERSONS named in Schedule 1 (*Obligors*) as Obligors;

(4) BNP PARIBAS as Senior Agent and Security Agent (the "**Senior Agent**" and "**Security Agent**" respectively);

(5) [ ] in its capacity as the Senior Subordinated Notes Trustee under the Senior Subordinated Notes Indenture (the "**Senior Subordinated Notes Trustee**"); and

(6) [ ] in its capacity as the security agent in respect of the Senior Subordinated Notes under the Senior Subordinated Notes Indenture (the "**Senior Subordinated Notes Collateral Agent**").

Background:

(A) This Agreement relates to the intercreditor position of Senior Subordinated Note Debt (as defined below) which is not contemplated in the Intercreditor Agreement.

(B) An Instructing Group (as defined in the Senior Facilities Agreement) has consented to the terms of this Agreement. Accordingly, the Senior Agent (both in its capacity as Senior Agent and Security Agent) is authorised to enter into this Agreement on behalf of the Finance Parties.

It is agreed as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**2011 Consent Request**" means the amendment and waiver request sent by the Company to the Agent on 1 August 2011 (as amended from time to time).

"**Acceptable Bank**" means a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of AA or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Aa2 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency.

"**Accession Instrument**" means an accession instrument substantially in the form of Schedule 2 (*Form of Accession Instrument*), with such amendments as the Security Agent may approve or reasonably require.

"**Agents**" means the Senior Agent and the Security Agent.

"**Assigned Subsidiary Proceeds Loan**" means any Subsidiary Proceeds Loan (to the extent that, following the execution of a Subsidiary Proceeds Loan Assignment, the Senior Subordinated Notes Collateral Agent and/or any receiver, receiver and manager or other similar official appointed to enforce any Subsidiary Proceeds Loan Assignment or the Senior Subordinated Noteholders have any claim (other than solely a Security Interest which has not been the subject of an Enforcement Action) in respect of any debt thereunder).

"**Cash Cover Undertaking**" means the cash cover undertaking in the form set out in Schedule 3 (*Form of Cash Cover Undertaking*).

"**Cash Equivalents**" means at any time:

(a) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security, provided that such country (or agency or instrumentality) has a long-term government debt rating of AA or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Aa2 or higher by Moody's Investor Services Limited;

(b) commercial paper not convertible or exchangeable to any other security:

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in the United States of America, the United Kingdom or any Participating Member State;

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1+ or higher by Standard & Poor's Rating Services or F1+ or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has a rating for its long-term unsecured and non-credit enhanced debt obligations of AA or higher by Fitch Ratings Ltd or AA or higher by Standard & Poor's Rating Services;

(c) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent); or

(d) any investment in money market funds which (i) have a credit rating of either A-1+ or higher by Standard & Poor's Rating Services or F1+ or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 30 days' notice.

"**Debt**" means any or all of the Senior Debt and the Senior Subordinated Note Debt, as the context requires.

"**Enforcement Action**" means, in relation to any Debt, any action (whether taken by the relevant creditor or creditors or any agent or trustee on its or their behalf) of any kind to:

(a) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of or place on demand all or any part of that Debt (and for the avoidance of doubt, any prepayment or close out obligations arising under the unlawfulness or mandatory prepayment provisions of the Finance Documents or any notice delivered pursuant thereto shall be deemed not to have arisen pursuant to a demand, declaration or acceleration or placement on demand of any Debt for the purposes of this paragraph (a));

(b) recover all or any part of that Debt (including by exercising any rights of attachment, execution, set-off or combination of accounts) other than (in the case of Senior Creditors) in the ordinary course of operating Ancillary Facilities;

(c) exercise, make a demand against or enforce any right against any surety in relation to (or given in support of) all or any of that Debt (including under the Transaction Security or Subordinated Security);

(d) commence (or take any other steps in relation to the commencement of any) proceedings constituting an Insolvency Event in relation to the Parent or any member of the Group; or

(e) commence any legal proceedings against the Parent or any member of the Group to recover any monies,

provided that the following shall not constitute Enforcement Action (unless it results in an Insolvency Event):

(i) the taking of any action (not falling within any of paragraphs (a)-(d) (inclusive) above) necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority;

(ii) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal or release of guarantees, security or other claims is to take place pursuant to powers granted to such persons under any security document or this Agreement with no claim for damages;

(iii) the bringing of proceedings solely for injunctive relief to restrain any actual or putative breach of the Facility Documents or for specific performance not claiming damages;

(iv) the taking of any action necessary to create, register or perfect any Security Document by any method or perfection permitted under the Security Documents (except possession or control or notifying any debtors to direct payments in respect of receivables that are subject to Shared Security to a creditor (or on its behalf) or directly collecting accounts receivables that are subject to Shared Security or any other payment rights of any member of the Group that are subject to Shared Security) or the taking of any action necessary to prove, preserve or protect (but not enforce) any Shared Security;

(v) legal proceedings or allegations against any person in connection with violations of securities laws or securities or listing regulations or fraud; or

(vi) allegations of material misstatements or omissions made in connection with the offering materials relating to the Senior Subordinated Note Debt or in reports furnished to the Senior Subordinated Note Creditors or any exchange on which the Senior Subordinated Notes are listed by the Parent or a member of the Group pursuant to information and reporting requirements under the Senior Subordinated Note Documents.

"**Enforcement Event**" means a Senior Creditor exercising any of its rights under clause 22.18 (*Acceleration*) of the Senior Facilities Agreement to cancel any commitment and/or to demand repayment of any amounts outstanding under the Finance Documents.

"**Event of Default**" means a Senior Default or a Senior Subordinated Note Default, as the context requires.

"**Facility Documents**" means any or all of the Finance Documents and the Junior Finance Documents (and, for avoidance of doubt, includes this Agreement).

"**Finance Documents**" has the meaning given to it in the Senior Facilities Agreement in its form at the date of this Agreement (and for the avoidance of doubt includes this Agreement).

"**First in Time Security**" means all Shared Security, other than the Second in Time Security.

"**Group**" has the meaning given to it in the Senior Facilities Agreement in its form at the date of this Agreement.

"**Insolvency Event**" means, in relation to any Obligor:

(a) the general suspension of payments, a moratorium of indebtedness, a winding-up, bankruptcy or dissolution (other than any winding-up or dissolution pursuant to a merger permitted under the Senior Facilities Agreement and the Senior Subordinated Notes Documents), administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or similar proceedings (*toute procédure de redressement, règlement ou liquidation judiciaire, de faillite, de constatation de l'insolvabilité ou de sauvegarde* (including *sauvegarde financière accélérée*));

(b) a composition, assignment or similar arrangement with its creditors generally or any Obligor by reason of financial difficulties;

(c) the appointment of a liquidator, receiver, administrator, *conciliateur*, *administrateur provisoire*, *mandataire ad hoc* or similar officer in respect of an Obligor; or

(d) any event analogous to any of the foregoing shall occur in relation to the relevant entity or its assets in any jurisdiction.

"**Insolvent Obligor**" means an Obligor in respect of which any Insolvency Event occurs and is continuing.

"**Intercreditor Agreement**" means the intercreditor deed dated 6 June 2006 between, amongst others, the Parent, the Obligors, the Senior Agent and the Security Agent as amended and/or amended and restated before the date of this Agreement.

"**Junior Finance Documents**" means the Senior Subordinated Notes Documents, each Subordinated Proceeds Loan Agreement and, if following the execution of a Subsidiary Proceeds Loan Assignment the Senior Subordinated Notes Collateral Agent and/or any receiver, receiver and manager or other similar official appointed to enforce any Subsidiary Proceeds Loan Assignment or the Senior Subordinated Noteholders has any claim (other than solely a Security Interest which has not been the subject of Enforcement Action) in respect of any debt thereunder, each Subsidiary Proceeds Loan Agreement.

"**Liability**" means, in relation to any document or agreement, any present or future liability (actual or contingent) payable or owing under or in connection with that document or agreement whether or not matured and whether or not liquidated, together with:

(a) any novation, deferral or extension of that liability;

(b) any claim for misrepresentation or breach of warranty or undertaking or on an event of default or under any indemnity in connection with that document or agreement;

(c) any further advance made under any document or agreement supplemental to that document or agreement, together with all related interest, fees and costs;

(d) any claim for damages or restitution in the event of rescission of that liability or otherwise in connection with that document or agreement;

(e) any claim flowing from any recovery of a payment or discharge in respect of that liability on the grounds of preference or otherwise; and

(f) any amount (such as post-insolvency interest) which would be included in any of the above but for its discharge, non-provability, unenforceability or non-allowability in any insolvency or other proceedings.

"**Luxembourg**" means the Grand Duchy of Luxembourg.

"**Majority Senior Creditors**" has the meaning given to it in the Intercreditor Agreement in force as at the date of the Fifth Amendment Agreement.

"**New Obligor**" has the meaning given to it in Clause 18.3 (*New Obligors*).

"**Non-Issuer Note Debt**" means the Senior Subordinated Note Debt other than the Senior Subordinated Issuer Note Debt.

"**Non-Issuer Subordinated Security**" means the Senior Subordinated Notes Security other than the Subordinated Parent Loan Assignment.

"**Obligor**" means the Parent and each member of the Group specified in Schedule 1 (*Obligors*) and each New Obligor but for the avoidance of doubt does not include the Senior Subordinated Issuer or the Senior Subordinated Issuer GP.

"**Parent Share Pledges**" means the pledges over the shares in the Senior Subordinated Issuer, the Senior Subordinated Issuer GP and the Company (ranking junior to the Transaction Security in respect of the same assets) that may, to the extent required by the Senior Subordinated Notes Indenture, be granted or to be granted by the Parent to the Senior Subordinated Notes Collateral Agent for the benefit of the Senior Subordinated Creditors (other than the Senior Subordinated Issuer, or the Parent).

"**Participating Member State**" means any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

"**Party**" means an Obligor, the Senior Agent (for itself and as agent for the Senior Creditors), the Senior Subordinated Issuer, the Senior Subordinated Notes Trustee (for itself and as trustee for the holders of the Senior Subordinated Notes) or the Senior Subordinated Notes Collateral Agent, as the context requires.

"**Payment Blockage Notice**" has the meaning given to it in Clause 4.1 (*Permitted Senior Subordinated Note Payments*).

"**Permitted Defeasance Trust Payments**" means payments by the Senior Subordinated Issuer under the Senior Subordinated Notes and the Senior Subordinated Notes Indenture made from any defeasance trust that was not funded (directly or indirectly) by any member of the Group.

"**Permitted Junior A Securities**" means equity securities or (to the extent not secured by the assets of, or guaranteed by, the Parent or any of its Subsidiaries or secured over indebtedness owing by the Parent or its Subsidiaries (including any Subordinated Proceeds Loan)) debt securities of the Senior Subordinated Issuer or any holding company of the Senior Subordinated Issuer (other than the Parent) provided that as a result thereof the amount of any cash payments under any Subordinated Proceeds Loan Agreement is not increased and the timing of any such payments are not brought forward and that all of the proceeds of issue of such securities (net of the costs and expenses of such issue) are (directly or indirectly) used to repay amounts outstanding under the Senior Subordinated Notes.

"**Permitted Junior B Securities**" means debt securities issued by the Senior Subordinated Issuer or any holding company of the Senior Subordinated Issuer (other than the Parent), but only if, in respect of any such debt securities issued:

(a) the terms of such debt securities (and any guarantees and Security Interest or other financial support given therefor) are not less favourable to the Senior Creditors than the Senior Subordinated Notes Major Terms and this Agreement; and

(b) the amount of all cash payments, and the dates of such cash payments, on all such debt securities and all remaining Senior Subordinated Notes are no greater, or earlier, than the

amount of cash payments, and the dates of such cash payments, on the Senior Subordinated Notes prior to the date of issuance of such debt securities,

provided that all of the proceeds of issue of such securities (net of the costs and expenses of such issue) are (directly or indirectly) used to repay amounts outstanding under the Senior Subordinated Notes.

Permitted Junior Securities means Permitted Junior A Securities and/or Permitted Junior B Securities (as the context requires).

"**Permitted Senior Subordinated Note Payments**" means, subject to Clause 4.1 (*Permitted Senior Subordinated Note Payments*), a payment:

(a) of scheduled interest (in each case whether paid in cash or in kind, but excluding default interest or liquidated damages to the extent that they accrue at a rate of more than one per cent. per annum) arising on (i) the Senior Subordinated Notes, the payment of which is provided for in the Senior Subordinated Notes or the Senior Subordinated Notes Indenture and which payment is made no earlier than 5 days before the date on which the relevant scheduled interest payment by the Senior Subordinated Issuer falls due under the terms of the Senior Subordinated Notes or the Senior Subordinated Notes Indenture and (ii) a Subordinated Proceeds Loan or an Assigned Subsidiary Proceeds Loan, the payment of which is provided for in the relevant Subordinated Proceeds Loan Agreement or, as the case may be, the relevant Subsidiary Proceeds Loan Agreement and which payment (if in cash) does not exceed the scheduled interest under the Senior Subordinated Notes and is made no earlier than 5 days before the date on which the related scheduled interest payment by the Senior Subordinated Issuer falls due under the terms of the Senior Subordinated Notes or the Senior Subordinated Notes Indenture;

(b) of additional amounts payable under applicable gross up provisions of the Senior Subordinated Notes or the Senior Subordinated Notes Indenture or any Subordinated Proceeds Loan Agreement or Subsidiary Proceeds Loan Agreement, provided such provisions are in customary form;

(c) of the principal amount of or in respect of the Senior Subordinated Notes, the Subordinated Proceeds Loans and the Assigned Subsidiary Proceeds Loans upon or after their originally scheduled maturity as set out in the Senior Subordinated Notes or the Senior Subordinated Notes Indenture or (as applicable) the related Subordinated Proceeds Loan Agreement or, as the case may be, the related Subsidiary Proceeds Loan Agreement;

(d) of fees, costs, expenses and taxes (including any original issue discount and any underwriting commissions and discounts) incurred by the Senior Subordinated Issuer in respect of the issuance and offering of the Senior Subordinated Notes or in the ordinary course day to day administration of the Senior Subordinated Notes as provided for in the Senior Subordinated Notes Documents;

(e) by the Senior Subordinated Issuer funded entirely from the proceeds of issue of Permitted Junior A Securities or, provided that Clause 11.3 (*Refinancing of Senior Subordinated Notes by Permitted Junior Securities*) is complied with, Permitted Junior B Securities;

(f) constituting a Permitted Defeasance Trust Payment;

(g) of other amounts not exceeding €100,000 (or its equivalent) in any 12 month period;

(h) of Senior Subordinated Notes Representatives Amounts (including Senior Subordinated Notes Representatives Ordinary Course Amounts;) and

(i) of any other amounts consented to by the Senior Agent.

"**Relevant Agents**" means the Security Agent and the Senior Subordinated Notes Collateral Agent.

"**Second in Time Security**" means all Security which is expressed to be or is second ranking (or any other lower ranking), such ranking to be determined on the basis of the chronological order in which such security is taken, and which is granted by an Obligor or the Senior Subordinated Issuer to secure Senior Debt and/or Senior Subordinated Note Debt in accordance with Clause 3.4 (*Second in Time Security*).

"**Security Interest**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement entered into for the purpose of achieving a similar effect.

"**Senior Creditor**" means each of the Finance Parties under and as defined in the Senior Facilities Agreement in its form at the date of this Agreement.

"**Senior Debt**" means all Liabilities of any Obligor to any Senior Creditor under or in connection with the Finance Documents or any refinancing, refunding, restructuring or increase in accordance with Clause 11.2 (Refinancing of Senior Debt)..

"**Senior Default**" means an Event of Default as defined in the Senior Facilities Agreement.

"**Senior Discharge Date**" means the date on which the Senior Agent (acting reasonably) is satisfied that all of the Senior Debt has been irrevocably paid and discharged and all Commitments and obligations of the Senior Creditors have been cancelled or terminated.

"**Senior Enforcement**" has the meaning given to it in paragraph (f) of Clause 8 (*Permitted Enforcement*).

"**Senior Facilities Agreement**" means the Senior Facilities agreement dated 6 June 2006 between, amongst others, the Parent, certain of the other Obligors, the Senior Agent and the Security Agent amended and restated on 18 July 2006, 28 July 2006 and 2 March 2007, as amended by a letter dated 24 June 2008 and as amended and restated on 9 December 2009 and as further amended and restated on or about the date of the Fifth Amendment Agreement.

"**Senior Non-Payment Event**" means:

(a) a failure by any Obligor to pay on the due date:

  (i) any amount of principal (whether falling due by reason of a scheduled repayment, mandatory prepayment, acceleration or any other reason) or interest; or

  (ii) any other amounts which in aggregate exceed €200,000 (or its equivalent in other currencies),

  in either case representing Senior Debt; or

(b) the Senior Agent has accelerated or put on demand the amounts outstanding under the Finance Documents as a result of a Senior Default under paragraph (a) or, to the extent the relevant amounts exceed €200,000 in aggregate, paragraph (b) of clause 22.1 (*Payment Default*) of the Senior Facilities Agreement.

"**Senior Subordinated Creditor**" means each of:

(a) the holders of Senior Subordinated Notes (the "**Senior Subordinated Noteholders**");

(b) the Senior Subordinated Notes Trustee and any agent thereof under the Senior Subordinated Notes Indenture;

(c) the Senior Subordinated Notes Collateral Agent; and

(d) in respect of the Liabilities under or in connection with a Subordinated Proceeds Loan Agreement, the Senior Subordinated Issuer and the Parent and in respect of the Liabilities under or in connection with a Subordinated Proceeds Loan Agreement or Subsidiary Proceeds Loan Agreement (to the extent that, following the execution of a Subordinated Proceeds Loan Assignment or a Subsidiary Proceeds Loan Assignment, it has any claim other than solely a Security Interest which has not been the subject of an Enforcement Action in respect of any such Liabilities), the Senior Subordinated Notes Collateral Agent and/or any receiver, receiver and manager or other similar official appointed to enforce any Subordinated Proceeds Loan Assignment or Subsidiary Proceeds Loan Assignment,

and includes any person to whom any Senior Subordinated Note Debt may be payable or owing (whether or not matured) from time to time.

"**Senior Subordinated Issuer Note Debt**" means all Liabilities of the Senior Subordinated Issuer to any Senior Subordinated Creditor under the Senior Subordinated Notes Documents.

"**Senior Subordinated Note Debt**" means all Liabilities of the Senior Subordinated Issuer, any Obligor or any member of the Group to any Senior Subordinated Creditor under or in connection with the Senior Subordinated Notes Documents, Subordinated Proceeds Loan Agreements and (to the extent that they relate to Assigned Subsidiary Proceeds Loans) Subsidiary Proceeds Loan Agreements, as the case may be.

"**Senior Subordinated Note Default**" means an Event of Default as defined in the Senior Subordinated Notes Indenture.

"**Senior Subordinated Notes**" means the notes (including any additional notes) issued or to be issued under the Senior Subordinated Notes Indenture.

"**Senior Subordinated Notes Collateral Agent**" means [ ] in its capacity as security agent under the Senior Subordinated Notes Indenture and any successor Senior Subordinated Notes Collateral Agent appointed in accordance with the Senior Subordinated Notes Indenture which accedes to this Agreement in accordance with Clause 18.4 (*Senior Subordinated Notes Representatives*).

"**Senior Subordinated Notes Documents**" means:

(a) the Senior Subordinated Notes Indenture (including any Subordinated Guarantees contained therein);

(b) the Senior Subordinated Notes;

(c) the Subordinated Guarantees;

(d) the Senior Subordinated Notes Security;

(e) this Agreement; and

(f) any other document entered into by the Senior Subordinated Issuer, an Obligor or a member of the Group evidencing Liabilities to any Senior Subordinated Creditor in connection with the issue of the Senior Subordinated Notes, but excluding any document to the extent it sets out rights of the initial purchasers of the Senior Subordinated Notes (in their capacities as such) against the Senior Subordinated Issuer, an Obligor or any member of the Group.

"**Senior Subordinated Notes Indenture**" means the Senior Subordinated Notes Indenture between the Senior Subordinated Issuer and the Senior Subordinated Notes Representatives in its form as at the date of this Agreement or that otherwise complies with the Senior Subordinated Notes Major Terms.

"**Senior Subordinated Notes Major Terms"** has the meaning given to it in the Senior Facilities Agreement in its form at the date of this Agreement.

"**Senior Subordinated Notes Representatives"** means the Senior Subordinated Notes Trustee and the Senior Subordinated Notes Collateral Agent.

"**Senior Subordinated Notes Representatives Amounts"** means the fees, costs and expenses of the Senior Subordinated Notes Representatives (for the avoidance of doubt, including any amount payable to each of the Senior Subordinated Notes Representatives personally by way of indemnity, remuneration or to reimburse it for expenses incurred) payable to each of the Senior Subordinated Notes Representatives for its own account pursuant to the Senior Subordinated Notes Documents, including all out-of-pocket costs and expenses (including, without limitation, fees and expenses of legal counsel) incurred by each of the Senior Subordinated Notes Representatives in carrying out its duties or performing any service pursuant to the terms of this Agreement or the other Senior Subordinated Notes Documents.

"**Senior Subordinated Notes Representatives Ordinary Course Amounts**" means the fees, costs and expenses of each of the Senior Subordinated Notes Representatives (for the avoidance of doubt, including any amount payable to each of the Senior Subordinated Notes Representatives personally by way of indemnity, remuneration or to reimburse it for expenses incurred) payable to each of the Senior Subordinated Notes Representatives for its own account in respect of the ongoing day-to-day administration of the Senior Subordinated Notes pursuant to the Senior Subordinated Notes Documents. For the avoidance of doubt, the fees, costs and expenses of the Senior Subordinated Notes Representatives incurred in connection with any consent, amendment, waiver, redemption or defeasance in respect of the ongoing day-to-day administration of the Senior Subordinated Notes pursuant to the Senior Subordinated Notes Documents and the costs of any actual or attempted Enforcement Action (including legal and other professional advisory fees) which are recoverable pursuant to the terms of the Senior Subordinated Notes Documents (including guarantees of such amounts contained therein), but excluding any costs and expenses incurred in respect of bringing any suit, claim, action or proceedings against any Senior Creditor, are included in this definition of Senior Subordinated Notes Representatives Ordinary Course Amounts.

"**Shared Security**" means the Senior Subordinated Notes Security and the Transaction Security to the extent they create Security Interests over the same assets.

"**Shared Security Documents**" means any document creating, granting or evidencing a Shared Security.

"**Shared Security Enforcement**" means the enforcement by way of disposal, appropriation, acquisition or attribution (or any other means whatsoever in accordance with the relevant Shared Security Document) by a Senior Subordinated Creditor or by a Senior Creditor of any Shared Security.

"**Soulte**" means, in relation to any Shared Security Enforcement occurring by way of appropriation (including pursuant to a *pacte commissoire* or any similar enforcement mechanism) or judicial foreclosure of any Shared Security Document, the amount by which the value of the assets subject to Shared Security which are appropriated or foreclosed pursuant to that Shared Security Enforcement exceeds the amount of obligations secured by that Shared Security Document which is discharged as a result of that Shared Security Enforcement being carried out.

"**Standstill Period**" has the meaning given to it in paragraph (a)(iv) of Clause 8 (*Permitted Enforcement*).

"**Subordinated Company Loan**" has the meaning given to it in the Senior Facilities Agreement in its form at the date of this Agreement.

"**Subordinated Company Loan Agreement**" means each loan agreement entered into between the Parent as lender and the Company as borrower setting out the terms of the relevant Subordinated Company Loan.

"**Subordinated Company Loan Assignment**" means an assignment by way of security (or a pledge) of rights and claims under or in respect of each Subordinated Company Loan Agreement (such assignment or pledge ranking junior to the Transaction Security in respect of the same asset) granted or to be granted by the Parent to the Senior Subordinated Notes Collateral Agent for the benefit of the Senior Subordinated Creditors (other than the Senior Subordinated Issuer or the Parent).

"**Subordinated Guarantee**" has the meaning given to it in the Senior Facilities Agreement in its form at the date of this Agreement.

"**Subordinated Guarantor**" means the Parent or a member of the Group that has provided a Subordinated Guarantee.

"**Subordinated Parent Loan**" has the meaning given to it in the Senior Facilities Agreement in its form at the date of this Agreement.

"**Subordinated Parent Loan Agreement**" means each loan agreement entered into between the Senior Subordinated Issuer as lender and the Parent as borrower setting out the terms of the relevant Subordinated Parent Loan.

"**Subordinated Parent Loan Assignment**" means an assignment by way of security (or pledge) of rights and claims under or in respect of each Subordinated Parent Loan Agreement (such assignment or pledge ranking junior to the Transaction Security in respect of the same asset) granted or to be granted by the Senior Subordinated Issuer to the Senior Subordinated Notes Collateral Agent for the benefit of the Senior Subordinated Creditors (other than the Senior Subordinated Issuer or the Parent).

"Subordinated Proceeds Loan" means a Subordinated Parent Loan or a Subordinated Company Loan

"**Subordinated Proceeds Loan Agreement**" means a Subordinated Parent Loan Agreement or a Subordinated Company Loan Agreement.

"**Subordinated Proceeds Loan Assignment**" means the Subordinated Parent Loan Assignment or the Subordinated Company Loan Assignment.

"**Subordinated Security**" means any Security Interest created, evidenced or conferred by or pursuant to the Senior Subordinated Notes Security.

"**Subsidiary Proceeds Loan**" has the meaning given to it in the Senior Facilities Agreement in its form at the date of this Agreement.

"**Subsidiary Proceeds Loan Agreement**" means each loan agreement entered into between the Company as lender and a Subsidiary of the Company as borrower setting out the terms of the relevant Subsidiary Proceeds Loan.

"**Subsidiary Proceeds Loan Assignment**" means an assignment by way of security (or pledge) of rights and claims under or in respect of each Subsidiary Proceeds Loan Agreement (such assignment or pledge ranking junior to the Transaction Security in respect of the same asset) granted or to be granted by the Company to the Senior Subordinated Notes Collateral Agent for the benefit of the Senior Subordinated Creditors (other than the Senior Subordinated Issuer or the Parent).

"**Transaction Security**" means any Security Interest created, evidenced or conferred by or pursuant to any Finance Document in favour of the Senior Creditors.

"**Turnover Receipt**" has the meaning given to it in Clause 5 (*Turnover*).

1.2 Interpretation

(a) References to any of the Security Agent, the Senior Agent, the Senior Subordinated Issuer, the Senior Subordinated Notes Trustee, the Senior Subordinated Notes Collateral Agent, the Senior Subordinated Noteholders, the Senior Creditors or the Obligors in whatever capacity include their respective successors, assigns, replacements, transferees and substitutes from time to time.

(b) The provisions of clauses 1.3 (*Construction*), 1.4 (*Currency*), 1.5 (*Statutes*), 1.6 (*Time*) and 1.7 (*References to Agreements*) of the Senior Facilities Agreement apply to this Agreement as though they were set out in full in this Agreement, except that references to the Senior Facilities Agreement are to be construed as references to this Agreement.

(c) Save as otherwise specified in this Agreement, a reference to the Senior Facilities Agreement, a Finance Document, the Senior Subordinated Notes Indenture, a Senior Subordinated Notes Document, a Subordinated Proceeds Loan Agreement or a Subsidiary Proceeds Loan Agreement is to that document or agreement as amended, novated, supplemented, extended or restated from time to time to the extent permitted by this Agreement.

(d) In this Agreement, unless the context otherwise requires, references to:

(i) Clauses and Schedules are to be construed as references to the clauses of, and schedules to, this Agreement;

(ii) "**give any financial support**" (or similar phrases) in connection with any Debt include the taking of any participation in or in respect of such Debt, the giving of any guarantee or other assurance against loss in respect of such Debt, or the making of any deposit or payment in respect of or on account of such Debt;

(iii) a "**notice**" includes any notice, request, instruction, demand or other communication;

(iv) an Event of Default, Senior Default, Senior Subordinated Note Default, Insolvency Event or Senior Non-Payment Event being "**outstanding**", is to such Event of Default, Senior Default, Senior Subordinated Note Default, Insolvency Event or Senior Non-Payment Event having occurred and continuing unremedied and unwaived;

(v) a "**payment**" includes a distribution, prepayment or repayment and references to pay include distribute, repay or prepay; and

(vi) references to "**actual knowledge**" of a Senior Subordinated Notes Representative shall be construed to mean that that Senior Subordinated Notes Representative shall not be charged with knowledge (actual or otherwise) of the existence of facts that would impose an obligation on it to make any payment or prohibit it from making any payment unless a Responsible Officer of that Senior Subordinated Notes Representative has received written notice from the Senior Agent or the Security Agent by 10 a.m. on the second Business Day (or earlier) prior to the date that such payments are required or prohibited by this Agreement. For the purposes of this Agreement, delivery of the notice will be effective only when actually received by a Responsible Officer and then only if it is expressly marked for the attention of a Responsible Officer; and a "**Responsible Officer**" in this Agreement means any person who (A) is an officer within the trust & securities services department of the Senior Subordinated Notes Trustee, including any director, associate director, vice president, assistant vice president, assistant treasurer, trust officer or any other officer of the relevant Senior Subordinated Notes Representative who customarily performs functions similar to those performed by these officers or (B) is notified by the relevant Senior Subordinated Notes Representative as identified herein in accordance with Clause 19 (*Notices*).

(e) Terms defined in or whose interpretation is provided for in the Senior Facilities Agreement shall have the same meaning when used in this Agreement (whether before or after the Senior Discharge Date) unless separately defined or interpreted in this Agreement.

(f) In determining whether or not an amount of Senior Debt has been irrevocably paid and discharged the Senior Agent will disregard contingent liabilities (such as the risk of clawback flowing from a preference) except to the extent that such Agent believes that there is a reasonable likelihood that those contingent liabilities will become actual liabilities.

(g) Unless expressly provided to the contrary in this Agreement, the Contracts (Rights of Third Parties) Act 1999 shall apply to this Agreement only in respect of any Senior Subordinated Noteholder who by holding a Senior Subordinated Note has effectively agreed to be bound by the provisions of this Agreement and no other third party shall have any rights under this Agreement. Notwithstanding any term of this Agreement, no consent of any Senior Subordinated Noteholder or any other third party is required for any amendment (including any release or compromise of any liability) or termination of this Agreement, but without prejudice to any consent required by the Senior Subordinated Notes Trustee or the Senior Subordinated Notes Collateral Agent from the Senior Subordinated Noteholders under the Senior Subordinated Notes Indenture.

(h) No part of this Agreement is intended to or shall create a registrable Security Interest.

(i) If there is any conflict between the terms of this Agreement and any other Facility Document (other than the Intercreditor Agreement), the terms of this Agreement will prevail.

2. RANKING

(a) Unless expressly provided to the contrary in this Agreement, the Debt (other than the Senior Subordinated Issuer Note Debt) shall rank in right and priority of payment in each case in the following order:

(i) **First,** the Senior Debt; and

(ii) **Secondly,** the Non-Issuer Note Debt.

(b) Unless expressly provided to the contrary in this Agreement:

(i) the Transaction Security shall only secure the Senior Debt; and

(ii) the Senior Subordinated Notes Security shall only secure the Senior Subordinated Issuer Note Debt and the Subordinated Guarantees.

(c) The ranking and priority in paragraphs (a) and (b) apply regardless of:

(i) the order of registration, filing, notice or execution of any document;

(ii) the date upon which the Debt was incurred or arose;

(iii) whether a person is obliged to advance any such Debt; and

(iv) any fluctuations in the outstanding amount, or any intermediate discharge in whole or in part of any Debt.

(d) For the avoidance of doubt, the ranking of the Senior Subordinated Issuer Note Debt is not governed by this Agreement. The Senior Subordinated Notes will be senior obligations of the Senior Subordinated Issuer.

(e) The Senior Creditors may make available new money commitments from time to time (which will be treated as Senior Debt) up to an additional total principal amount equal to the amount of such Financial Indebtedness permitted to be incurred and rank as "Senior Debt" in accordance with the

terms of the Senior Subordinated Notes Indenture (at the time such new money commitments are made available).

(f) It is agreed that the Senior Debt qualifies as "Senior Debt" for the purposes of and as such term is defined in the Senior Subordinated Notes Indenture.

3. UNDERTAKINGS

3.1 Undertakings of the Obligors and Senior Subordinated Creditors in respect of the Senior Subordinated Note Debt

Prior to the Senior Discharge Date, except as the Majority Senior Creditors have agreed in writing, or to the extent permitted by Clauses 4 (*Permitted Payments*), 6.2 (*Filing of Claims*), 8 (*Permitted Enforcement*) or 11.3 (*Refinancing of Senior Subordinated Notes by Permitted Junior Securities*):

(a) no Obligor will (and each Obligor will procure that no member of the Group will) make any payment of or in respect of, or purchase, redeem or acquire, any of the Senior Subordinated Note Debt in cash or in kind;

(b) no Senior Subordinated Creditor will demand or receive payment of or in respect of any Non-Issuer Note Debt in cash or in kind or apply any money or property in or towards the discharge of any Non-Issuer Note Debt;

(c) no Senior Subordinated Creditor (except in respect of the Senior Subordinated Issuer) or Obligor will discharge any Senior Subordinated Note Debt by set-off, any right of combination of accounts or otherwise;

(d) no Obligor will (and each Obligor will procure that no member of the Group will) create or permit to subsist, and no Senior Subordinated Creditor will accept from any Obligor or any member of the Group, any Security Interest over any of that Obligor's assets or any of the Group's assets, for any of the Senior Subordinated Note Debt except for the Senior Subordinated Notes Security to secure the Senior Subordinated Issuer Note Debt and the Subordinated Guarantees;

(e) no Obligor will (and each Obligor will procure that no member of the Group will) give, and no Senior Subordinated Creditor will accept from any Obligor or any member of the Group, any financial support to any person for or in connection with any of the Senior Subordinated Note Debt except for the Subordinated Guarantees and the Senior Subordinated Notes Security;

(f) no Senior Subordinated Creditor will allow any Non-Issuer Note Debt owing to it or its proceeds to be subordinated to any sums owing to any person otherwise than as may arise as a matter of law or in accordance with this Agreement; and

(g) no Obligor or Senior Subordinated Creditor will take or omit to take any action whereby the ranking and/or subordination of the Non-Issuer Note Debt provided for in this Agreement is reasonably likely to be altered.

3.2 Undertaking of the Senior Subordinated Issuer

Until the Senior Discharge Date has occurred, the Senior Subordinated Issuer undertakes that, except as is required by applicable law or regulation or save as the Majority Senior Creditors have previously otherwise consented in writing, it will not petition for, vote in favour of, or otherwise take any action or step with a view to, the occurrence of an Insolvency Event in respect of any Obligor (other than where, and to the extent that, Enforcement Action is permitted against that Obligor under Clause 8 (*Permitted Enforcement*)).

3.3 Additional undertaking by the Senior Subordinated Creditors

No Senior Subordinated Creditor shall procure, or seek to procure, that the Senior Subordinated Issuer or any liquidator (or equivalent or similar person) of the Senior Subordinated Issuer takes any action in contravention of Clause 3.2 (*Undertaking of the Senior Subordinated Issuer*).

3.4 Second in Time Security

(a) Any Shared Security will be created in favour of the Senior Subordinated Creditors by way of Second in Time Security, which is expressly accepted by the Senior Creditors.

(b) Upon additional commitments being confirmed in accordance with the Senior Facilities Agreement (to the extent permitted under the Senior Subordinated Notes Indenture), Second in Time Security over the assets subject to Shared Security securing such additional commitments shall to the fullest extent permitted by law be granted by the relevant Obligors and/or the Senior Subordinated Issuer (subject to and in accordance with the Agreed Security Principles (as defined in the Senior Facilities Agreement)), which is expressly accepted by the Senior Subordinated Creditors.

(c) The Senior Creditors and the Senior Subordinated Creditors expressly agree that the beneficiaries of any Second in Time Security will receive the proceeds of enforcement of any Shared Security in accordance with Clause 9.1 (*Order of Application*) and therefore, in the case of the Senior Creditors, ahead of the Senior Subordinated Creditors.

(d) The beneficiaries of First in Time Security governed by French law acknowledge and agree that (to the extent required to create or permit to subsist such Second in Time Security) they will hold assets which are subject to Second in Time Security as *tiers convenu* (where applicable for the relevant Security) for the beneficiaries of such Second in Time Security. As such they shall:

  (i) without prejudice to any right of the beneficiaries of the First in Time Security, enforce the First in Time Security in accordance with Clause 10.1 (*Enforcement instructions*) and without prejudice to paragraph (e) below, not exercise their rights as *tiers convenu* in a manner which would impede the enforcement of the Second in Time Security;

  (ii) exercise their rights as *tiers convenu* in any manner directed by the Security Agent; and

  (iii) incur no liability whatsoever to any beneficiary of the Second in Time Security in acting as *tiers convenu* except in the case of their gross negligence or wilful misconduct.

(e) Any decision to enforce any Shared Security shall be taken in accordance with Clause 10 (*Enforcement of Security*) regardless of the ranking of the relevant Security and, unless agreed otherwise, any decision to enforce any First in Time Security shall entail enforcement of the Second in Time Security and any decision to enforce any Second in Time Security shall entail enforcement of the First in Time Security.

(f) Any Second in Time Security will provide that the beneficiaries of any First in Time Security (acting as *tiers convenu*) shall incur no liability to the beneficiaries of the Second in Time Security for the manner of exercise or any non-exercise of their rights, remedies, powers, authority or discretions under any such First in Time Security except as a result of a breach of this Agreement or in the case of their gross negligence or wilful misconduct.

(g) For the avoidance of doubt, the Second in Time Security shall not be affected and shall remain in full force and effect notwithstanding the release or termination of any First in Time Security or any such First in Time Security ceasing to be legal, valid and enforceable for any reason.

3.5 Damages not adequate

Without prejudice to the rights of the Senior Creditors in respect of any other breach of this Agreement, the Senior Subordinated Issuer, each Obligor and each Senior Subordinated Creditor acknowledges and agrees that damages would not be an adequate remedy for a breach of Clause 3.2 (*Undertaking of the Senior Subordinated Issuer*) and that the Senior Creditors should be entitled to injunctive relief in such circumstances.

3.6 Subordination of Group members' claims

The Parent will procure that any member of the Group which is not a Subordinated Guarantor (a "**Non-Guarantor**", and which is required by the terms of the Senior Subordinated Notes Indenture to subordinate its claims on the Subordinated Guarantors to the claims of the Senior Subordinated Creditors under the Senior Subordinated Notes Documents, will comply with such obligation, provided that any such Non-Guarantor must (if it is not already a party to the Intercreditor Agreement as an Obligor) at the same time become a party to the Intercreditor Agreement as a New Obligor in accordance with the terms of clause 20.3 (*Further Subsidiaries as Parties*) of the Intercreditor Agreement.

4. PERMITTED PAYMENTS

4.1 Permitted Senior Subordinated Note Payments

(a) Prior to the Senior Discharge Date, but subject to paragraphs (b) to (d) (inclusive) below and Clause 5 (*Turnover*), the Senior Subordinated Issuer, the Obligors and members of the Group may pay and Senior Subordinated Creditors may receive and retain payment of amounts which are Permitted Senior Subordinated Note Payments.

(b) Any Permitted Senior Subordinated Note Payment made by any Subordinated Guarantor under any Senior Subordinated Notes Document will extinguish, to the extent of the amount of the relevant Permitted Senior Subordinated Note Payment, the obligation of the Parent, the Company or the relevant Subsidiary of the Company to make the equivalent or related payment under the related Subordinated Proceeds Loan Agreement or Subsidiary Proceeds Loan Agreement (which equivalent or related payment shall thereupon cease to be a Permitted Senior Subordinated Note Payment).

(c) Other than any payment of, or (directly or indirectly) to fund the payment of, the Senior Subordinated Notes Representatives Ordinary Course Amounts, no payment of, or in respect of, the Senior Subordinated Note Debt which is otherwise permitted by paragraph (a) above may be made by the Parent or any member of the Group except with the prior consent in writing of the Senior Agent if:

  (i) a Senior Non-Payment Event has occurred and is continuing; or

  (ii) a Senior Default (other than a Senior Non-Payment Event) has occurred and is continuing and the Senior Subordinated Notes Trustee (on behalf of the Senior Subordinated Noteholders) and the Company have received a written notice (a "**Payment Blockage Notice**") from the Security Agent (acting on the instructions of the Majority Senior Creditors) specifying such Senior Default and suspending payments of, or in respect of, the Senior Subordinated Note Debt by the Parent and any member of the Group or a specified category of those payments, from the date of such Payment Blockage Notice until the earliest of:

    (A) the date on which the Senior Default concerned is no longer continuing and, if the Senior Debt has been accelerated, such acceleration has been rescinded;

(B) the date on which the Senior Agent, acting on the instructions of the Majority Senior Creditors, by notice in writing to the Company and the Senior Subordinated Notes Trustee, cancels the relevant Payment Blockage Notice;

(C) the Senior Discharge Date;

(D) the date falling 179 days after receipt by the Senior Subordinated Notes Trustee of such Payment Blockage Notice;

(E) if a Standstill Period is in effect at the time of the service of such Payment Blockage Notice, the day on which that Standstill Period expires; and

(F) the date on which the Senior Subordinated Creditors take any Enforcement Action which they are permitted to take under Clause 8 (*Permitted Enforcement*).

(d) Unless otherwise agreed by the Senior Subordinated Notes Trustee:

(i) not more than one Payment Blockage Notice may be served in any period of 360 consecutive days;

(ii) not more than one Payment Blockage Notice may be served in respect of the same event or set of circumstances; and

(iii) a Payment Blockage Notice may not be served by the Senior Agent in reliance on a particular Senior Default (other than any Senior Non-Payment Event) more than 45 days after the date the Senior Agent has received a written notice from the Company of the occurrence of such Senior Default (other than any Senior Non-Payment Event) and confirming that it is a Senior Default.

5. TURNOVER

(a) If, at any time prior to the Senior Discharge Date, any Senior Subordinated Creditor (subject to Clause 20.6 (*Turnover by Senior Subordinated Notes Representatives*) in the case of the Senior Subordinated Notes Representatives only) receives or recovers a payment in cash or in kind (including by way of set-off or combination of accounts):

(i) of any of the Senior Subordinated Note Debt from the Parent or any member of the Group which is prohibited by Clause 4 (*Permitted Payments*);

(ii) from (or on behalf of) the Parent or any member of the Group on account of the purchase, redemption or acquisition of any Senior Subordinated Note Debt which is prohibited by Clause 4 (*Permitted Payments*); or

(iii) representing the proceeds of any enforcement of any Subordinated Security,

other than, in each case, any amount received or recovered in accordance with Clause 9 (*Proceeds*) (each such payment or distribution being a "**Turnover Receipt**") the receiving or recovering Senior Subordinated Creditor (as the case may be) will promptly notify the Security Agent.

(b) Each Senior Subordinated Creditor shall:

(i) hold any Turnover Receipt received or recovered by it on trust for the Senior Creditors; and

(ii) upon demand by the Security Agent, pay to the Security Agent for application as provided in Clause 9 (*Proceeds*) an amount determined by the Security Agent to be equal to the lesser of:

(A) the outstanding balance of the Senior Debt; and

(B) the amount of such Turnover Receipt,

less the third party costs and expenses (if any) reasonably incurred by the Senior Subordinated Creditor concerned in receiving or recovering such Turnover Receipt.

(c) Each Obligor shall indemnify each Senior Subordinated Creditor (to the extent of its liability for the Senior Subordinated Note Debt) for the amount of any Turnover Receipt paid by that Senior Subordinated Creditor to the Security Agent and such third party costs and expenses incurred by it, and the Senior Subordinated Note Debt will not be deemed to have been reduced or discharged in any way or to any extent by the receipt or recovery of the relevant Turnover Receipt.

6. SUBORDINATION ON INSOLVENCY

6.1 Subordination Events

If an Insolvency Event occurs to or in respect of any Obligor, then the Non-Issuer Note Debt owed by the Insolvent Obligor will be subordinate in right of payment to the Senior Debt owed by such Insolvent Obligor.

6.2 Filing of Claims

(a) Until the Senior Discharge Date, the Security Agent (acting on the instructions of the Majority Senior Creditors) may, and is irrevocably authorised on behalf of the Senior Subordinated Creditors to:

(i) claim, enforce and prove for any Non-Issuer Note Debt owed by an Insolvent Obligor;

(ii) file claims and proofs, give receipts and take all such proceedings and do all such things as the Security Agent considers reasonably necessary to recover any Non-Issuer Note Debt owed by the Insolvent Obligor; and

(iii) receive all payments of or in respect of any Non-Issuer Note Debt owed by the Insolvent Obligor for application in accordance with Clause 9 (*Proceeds*).

(b) If the Security Agent is not entitled or does not wish to do or take any of the actions referred to in paragraph (a) above, the Senior Subordinated Creditors will each do so promptly when requested by (if on or prior to the Senior Discharge Date) the Security Agent (acting on the instructions of the Majority Senior Creditors) subject, in the case of the Senior Subordinated Notes Representatives only, to the Senior Creditors giving an appropriate indemnity or security for any costs and expenses which may be properly incurred by the Senior Subordinated Notes Representatives in doing or taking the actions so requested.

(c) Nothing in this Clause:

(a) entitles any Party to exercise or require any other Party to exercise such power of voting or representation to waive, reduce, discharge, extend the due date for payment of or reschedule any of the Non-Issuer Note Debt; or

(b) shall be deemed to require the Senior Subordinated Noteholders or the Senior Subordinated Notes Representatives to hold a meeting of the Senior Subordinated Noteholders or pass any resolution at such meeting or give any consent pursuant to the terms of the Senior Subordinated Notes Indenture.

6.3 Distributions

Until the Senior Discharge Date, each Senior Subordinated Creditor will (subject to Clause 20.6 (*Turnover by Senior Subordinated Notes Representatives*) in the case of the Senior Subordinated Notes Representatives only):

(a) hold all payments of or in respect of any Non-Issuer Note Debt in cash or in kind received by or on behalf of it from any Insolvent Obligor (or any liquidator, administrator, receiver or similar official of such Insolvent Obligor or its assets) on trust for the Senior Creditors;

(b) upon demand by the Security Agent, pay an amount equal to the amount of all those payments (less the third party costs and expenses (if any) reasonably incurred by the Senior Subordinated Creditor concerned in receiving or recovering those payments) to the Security Agent for application in accordance with Clause 9 (*Proceeds*); and

(c) instruct the trustee in bankruptcy, liquidator, administrator, receiver or other person distributing the assets of an Insolvent Obligor or their proceeds to make payments on the Non-Issuer Note Debt direct to the Security Agent until the Senior Debt has been paid in full,

provided that the Senior Subordinated Notes Trustee shall only be required to pay an amount equal to the amount of any such payment to the Security Agent if (x) it has actual knowledge that such amount is required to be so paid; and (y) prior to it having actual knowledge that such amount is required to be so paid, it did not distribute the relevant payment to the Senior Subordinated Noteholders in accordance with the Senior Subordinated Notes Indenture.

7. RESTRICTIONS ON ENFORCEMENT

7.1 Restrictions on Enforcement Action—Senior Subordinated Note Debt

Subject to Clause 8 (*Permitted Enforcement*), prior to the Senior Discharge Date, no Senior Subordinated Creditor may, without the prior written consent of the Majority Senior Creditors, take Enforcement Action against the Parent or any member of the Group with respect to any Subordinated Proceeds Loan Assignment, any Subsidiary Proceeds Loan Assignment or any Senior Subordinated Notes Document. This Clause 7.1 shall not restrict the ability of any Senior Subordinated Creditor to take any action against the Senior Subordinated Issuer or (provided that this shall not permit Enforcement Action against the Parent) with respect to the Subordinated Parent Loan Assignment.

7.2 Senior Subordinated Creditor Actions

If any restriction in this Clause preventing a Senior Subordinated Creditor from suing or bringing or supporting proceedings against the Parent, the Senior Subordinated Issuer or any member of the Group would result in such Senior Subordinated Creditor being prevented from suing or bringing or supporting those proceedings by reason of the expiry of any statutory or contractual limitation period, that Senior Subordinated Creditor shall be able to sue or bring or support those proceedings against the relevant entity, but only to the extent necessary to prevent loss of the right to sue or bring or support those proceedings.

8. PERMITTED ENFORCEMENT

(a) Subject to paragraph (d) below, the restrictions in Clause 7.1 (*Restrictions on Enforcement Action—Senior Subordinated Note Debt*) will not apply to the Senior Subordinated Creditors if:

(i) an Insolvency Event (other than as a result solely of any action taken by any Senior Subordinated Creditor) has occurred and is continuing with respect to a Subordinated Guarantor in which case, Enforcement Action may be taken by the Senior Subordinated

Creditors against such Subordinated Guarantor subject to that Insolvency Event only but shall exclude giving directions in respect of Enforcement Action in respect of any Shared Security;

(ii) the Senior Creditors take Enforcement Action (including the enforcement of any Transaction Security), provided that if the Senior Creditors only demand payment under the Finance Documents or put amounts payable by the Parent or a member of the Group thereunder on demand then the Senior Subordinated Creditors may only demand payment of the Senior Subordinated Note Debt or put amounts payable thereunder on demand in respect of the relevant entity;

(iii) a Senior Subordinated Note Default has occurred and is continuing resulting from a failure to pay principal at maturity;

(iv) a Senior Subordinated Note Default has occurred and is continuing (otherwise than solely by reason of the occurrence of a Senior Default or an event of default (howsoever described) under any Hedging Agreement which in either case is not a payment default) and:

(A) the Senior Agent has received written notice of that Senior Subordinated Note Default from the Senior Subordinated Notes Trustee;

(B) a period of not less than 179 days has passed from the date of receipt by the Senior Agent of the written notice referred to in (A) above (a "**Standstill Period"**); and

(C) at the end of the relevant Standstill Period, the relevant Senior Subordinated Note Default is continuing; or

(v) the proposed Enforcement Action has been consented to by the Majority Senior Creditors.

(b) The Senior Subordinated Creditors will have the right to take Enforcement Action (and, for the avoidance of doubt, the Senior Subordinated Notes Collateral Agent will have the right to enforce the Senior Subordinated Notes Security) in relation to a Senior Subordinated Note Default under this Clause 8 (*Permitted Enforcement*) notwithstanding that at the time referred to in paragraph (a)(iv) above, or at any time thereafter, another Standstill Period has commenced as a result of a further Senior Subordinated Note Default.

(c) The Senior Subordinated Notes Trustee shall give the Senior Agent at least five Business Days' prior written notice of any actions the Senior Subordinated Creditors take pursuant to this Clause 8 (*Permitted Enforcement*) (unless notice has already been given under paragraph (e) below in respect of such Enforcement Action).

(d) Notwithstanding any provision in this Agreement to the contrary, unless the Parent has provided a Cash Cover Undertaking on or prior to the date on which the Senior Subordinated Notes are issued, no Senior Subordinated Creditor may take any Enforcement Action in respect of any Subordinated Guarantee or any Shared Security comprised in the Non-Issuer Subordinated Security if the Senior Creditors are prevented by any applicable law from accelerating and/or enforcing their rights under guarantees or Transaction Security granted by the Parent or any member of the Group under any of the Finance Documents. For the avoidance of doubt, nothing in this paragraph (d) shall prevent the Senior Subordinated Creditors from accelerating the Senior Subordinated Notes or exercising or enforcing any rights against the Senior Subordinated Issuer (including enforcing the Subordinated Parent Loan Assignment but excluding accelerating or taking enforcement action against the Parent in respect of the Subordinated Parent Loan).

(e) If the Parent has provided a Cash Cover Undertaking on or prior to the date on which the Senior Subordinated Notes are issued, no Senior Subordinated Creditor may:

(i) take any Enforcement Action in respect of any Subordinated Guarantee; or

(ii) instruct the Senior Subordinated Notes Collateral Agent to enforce or otherwise (to the extent applicable) require the enforcement of any of the Non-Issuer Subordinated Security,

unless and until the Senior Subordinated Notes Trustee has given the Security Agent 30 days prior written notice provided that only one such notice shall be required to be given and provided further that such 30-day period may run concurrently with the Standstill Period. Notwithstanding the foregoing, this paragraph (e) shall not prevent any Senior Subordinated Creditor accelerating the Senior Subordinated Notes or exercising or enforcing any rights against the Senior Subordinated Issuer.

(f) If the Senior Creditors have instructed the Security Agent to take Enforcement Action in respect of any Shared Security (a "**Senior Enforcement**"), the Security Agent shall give notice thereof to the Senior Subordinated Notes Collateral Agent at least five Business Days prior to initiating any such Senior Enforcement.

(g) If, in accordance with paragraph (e) above, the Security Agent receives notice from the Senior Subordinated Notes Collateral Agent that it has been instructed to initiate Enforcement Action which it is entitled to take under this Agreement, the Security Agent may, if so instructed by the Majority Senior Creditors, take the same Enforcement Action.

9. PROCEEDS

9.1 Order of Application

(a) Subject to the rights of creditors (other than a Senior Creditor or a Senior Subordinated Creditor) mandatorily preferred by law applying to companies generally, all amounts paid to the Security Agent under this Agreement or in respect of the Shared Security and, prior to the Senior Discharge Date, all recoveries received or recovered by the Senior Subordinated Notes Collateral Agent and any receiver under the Shared Security or other amounts received other than in accordance with Clause 4 (Permitted Payments) shall be applied in the following order:

First, in payment to the Security Agent for application in or towards payment of the Senior Debt in accordance with the Intercreditor Agreement and including any Soulte paid or payable by the Senior Creditors;

Second, in payment to the Senior Subordinated Notes Representatives of the Senior Subordinated Notes Representatives Amounts;

Third, in payment to the Senior Subordinated Notes Trustee for application towards the balance of the Senior Subordinated Note Debt in accordance with the provisions of the Senior Subordinated Notes and the Senior Subordinated Notes Indenture; and

Last, in payment of the surplus (if any) to the Obligor or other person entitled to it.

(b) No such proceeds or amounts shall be applied in payment of any amounts specified in paragraph (a) above until all amounts specified in each earlier sub-paragraph have been paid in full.

9.2 Good Discharge

An acknowledgement of receipt signed by the relevant person to whom payments are to be made under this Clause shall be a good discharge of the Security Agent and/or the Senior Subordinated Notes Collateral Agent (as applicable).

9.3 Non-cash distributions

If the Security Agent or any other Senior Creditor receives any distribution otherwise than in cash in respect of any Senior Debt, the Senior Debt will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the Senior Debt.

9.4 Currencies

(a) All moneys received or held by the Security Agent and/or the Senior Subordinated Notes Collateral Agent (as applicable) under this Agreement at any time on or after an Enforcement Event in a currency other than a currency in which the relevant Debt is denominated may be sold for any one or more of the currencies in which the relevant Debt is denominated as the Security Agent or the Senior Subordinated Notes Collateral Agent (as applicable) considers necessary or desirable.

(b) The Company must indemnify the Security Agent and/or the Senior Subordinated Notes Collateral Agent (as applicable) against any loss or liability incurred in relation to any sale.

(c) The Senior Agent and/or the Senior Subordinated Notes Collateral Agent (as applicable) has no liability to any Party in respect of any loss resulting from any fluctuation in exchange rates.

10. ENFORCEMENT OF SECURITY

10.1 Enforcement Instructions

(a) The Security Agent may refrain from enforcing any Shared Security unless (A) instructed otherwise by the Majority Senior Creditors or (B) if required under paragraph (b) below. The Senior Subordinated Notes Trustee and the Senior Subordinated Notes Collateral Agent (and/or any receiver, receiver and manager or other similar official appointed to enforce any Senior Subordinated Notes Documents) shall undertake no enforcement of the Shared Security except if permitted under Clause 8 (*Permitted Enforcement*).

(b) Subject to the Shared Security having become enforceable in accordance with its terms:

(i) the Majority Senior Creditors may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Shared Security as they see fit; or

(ii) to the extent permitted to initiate a Shared Security Enforcement prior to the Senior Discharge Date in accordance with Clause 8 (*Permitted Enforcement*), the Senior Subordinated Notes Trustee may give or refrain from giving instructions to the Senior Subordinated Notes Collateral Agent to enforce or refrain from enforcing the Shared Security as it sees fit.

(c) Each Relevant Agent is entitled to rely on and comply with instructions given, or deemed to have been given, in accordance with this Clause 10.1.

(d) If the Security Agent is taking steps with respect to a Shared Security Enforcement, the Senior Subordinated Creditors shall, subject to the other provisions of this Agreement cooperate with the Security Agent and take such action as the Security Agent shall direct in relation to such enforcement.

(e) If (and for so long as) the Senior Subordinated Creditors are entitled to take enforcement action in respect of any Shared Security in accordance with Clause 8 (*Permitted Enforcement*), the Security Agent shall cooperate with the Senior Subordinated Notes Collateral Agent and take such action as the Senior Subordinated Notes Collateral Agent may direct in relation to such enforcement (excluding for the avoidance of doubt any release of debt).

10.2 Manner of Enforcement

(a) Subject to paragraph (b) below, if the Shared Security is being enforced pursuant to Clause 10.1 (*Enforcement Instructions*), the Security Agent shall enforce the Shared Security in such manner as the Majority Senior Creditors shall instruct or, in the absence of any such instructions, as the Security Agent sees fit, which shall in any event be one of the enforcement methods described in paragraph (d) below.

(b) If:

(i) the Senior Subordinated Notes Collateral Agent has initiated a Shared Security Enforcement in accordance with Clause 8 (*Permitted Enforcement*) (and has provided notice to the Senior Agent and the Company in accordance with paragraph (c) of that Clause); and

(ii) the Security Agent has received instructions from the Majority Senior Creditors selecting an enforcement method (the "**Other Enforcement Method**") which is different from that selected by the Senior Subordinated Notes,

then the Security Agent shall notify the Senior Subordinated Notes Collateral Agent accordingly, and the Security Agent shall as promptly as reasonably practical carry out such Enforcement Action using that Other Enforcement Method.

(c) Paragraph (b) above shall not apply where Enforcement Action has already been carried out and implementing the Other Enforcement Method is no longer possible or would otherwise be likely to adversely affect such Enforcement Action.

(d) No Shared Security Enforcement in respect of shares or securities (whether by the Senior Subordinated Creditors or the Security Agent) may occur otherwise than:

(i) (A) pursuant to a sale of all or part of the assets subject to Shared Security governed by French law by public auction (*enchères publiques*) in accordance with the provisions of Article L.521-3 of the French *Code de commerce*, or (B) pursuant to a sale of all or part of the assets subject to Shared Security governed by Luxembourg law by (a) public auction (*enchères publiques*); (b) on a stock exchange or regulated market; or (c) by a private sale (*transaction de gré à gré*) on normal commercial terms (*conditions commerciales normales*) in accordance with the provisions of the Luxembourg law of 5 August 2005 on financial collateral arrangements as amended or (C) equivalent provisions under applicable law in relation to the Parent Share Pledge in respect of shares in the Senior Subordinated Issuer;

(ii) pursuant to an application to the courts for judicial foreclosure (*attribution judiciaire*) of any asset subject to Shared Security in accordance with (i) the provisions of Article L.521-3 of the French *Code de commerce* and Article 2347 of the French *Code civil,* (ii) the provisions of the Luxembourg law of 5 August 2005 on financial collateral arrangements as amended or (iii) equivalent provisions under applicable law in relation to the Parent Share Pledge in respect of shares in the Senior Subordinated Issuer; or

(iii) pursuant to (a) an application for contractual foreclosure (*attribution conventionnelle*) or (b) an appropriation (as the case may be) of all or part of the assets subject to Shared Security in accordance with (i) the provisions of Article L.521-3 (II) of the French *Code de commerce* and Article 2348 of the French *Code civil*, (ii) the provisions of the Luxembourg law of 5 August 2005 on financial collateral arrangements as amended or (iii) equivalent provisions under applicable law in relation to the Parent Share Pledge in respect of shares in the Senior Subordinated Issuer,

and:

(A) in the case of a Shared Security Enforcement carried out under (ii) or (iii) above, with a view to sell the asset(s) so foreclosed upon or appropriated or to sell the assets of the Obligor or Senior Subordinated Issuer the shares of which were the subject of such judicial or contractual foreclosure; and

(B) in the case of (iii) above, in accordance with the applicable provisions of the relevant security document.

10.3 No responsibility

No Senior Subordinated Creditor shall be responsible to any Senior Creditor or Obligor and no Senior Creditor shall be responsible to any Senior Subordinated Creditor or Obligor for any enforcement (provided such enforcement is done in accordance with the terms of the relevant Senior Subordinated Notes Security or the relevant Security Documents (as applicable)) or failure to enforce or to maximise the proceeds of any enforcement of the Transaction Security or the Subordinated Security, and any of the Security Agent, the Senior Creditors, the Senior Subordinated Notes Collateral Agent or the Senior Subordinated Creditors, as the case may be, may cease any such enforcement at any time.

10.4 Releases

(a) Subject to paragraph (b) below, if a disposal to a person or persons outside the Group of any shares in any member of the Group is:

(i) permitted by Clause 21.2 (*Disposals*) of the Senior Facilities Agreement and by the Senior Subordinated Notes Indenture (in respect of which the Senior Subordinated Notes Collateral Agent is entitled to rely on a certificate from the Company);

(ii) being effected at the request of the Majority Senior Creditors (or the Security Agent acting on their behalf) in circumstances where the Senior Creditors are entitled to take Enforcement Action; or

(iii) being effected pursuant to Enforcement Action taken by the Senior Creditors (or the Security Agent acting on their behalf),

the Security Agent or, in the case of sub-paragraph (a)(i) above, the Senior Subordinated Notes Collateral Agent, is irrevocably authorised to execute on behalf of each Senior Subordinated Creditor and each Obligor (and at the cost of the relevant Obligor) a release of that member of the Group and its Subsidiaries from all present and future obligations and liabilities (both actual and contingent and including any liability under any Subordinated Guarantee and the Senior Subordinated Notes Security and/or to any other Obligor by way of contribution or indemnity (including any subrogation rights)) under the Senior Subordinated Notes Documents; provided that:

(A) in the case of sub-paragraph (a)(i) above the proceeds of that disposal are applied in accordance with the terms each of clause 8.2 (*Mandatory Prepayment from Receipts*) of the Senior Facilities Agreement and the relevant provisions of the Senior Subordinated Notes Indenture (in respect of which application the Senior Subordinated Notes Collateral Agent is entitled to rely on a certificate from the Company); and

(B) in the case of sub-paragraphs (a)(ii) and (iii) above, the proceeds of that disposal are applied in accordance with Clause 9 (*Proceeds*).

(b) In the case of any release of any obligation or liability under any Senior Subordinated Notes Document (including, without limitation, the Subordinated Guarantees and the Senior Subordinated Notes Security) in connection with a disposal falling within sub-paragraphs (a)(ii) and (iii) above, the Senior Subordinated Creditors shall only be obliged to release and only authorise the release set out in paragraph (a) above in respect of the relevant Senior Subordinated Notes Document if:

(i) the Senior Subordinated Notes Trustee confirms to the Security Agent that the release has been consented to by the requisite percentage of Senior Subordinated Noteholders under the Senior Subordinated Notes Indenture (to the extent such consent is required under the Senior Subordinated Notes Indenture); or

(ii) the relevant shares are disposed of and:

(A) the proceeds of such disposal received by the Security Agent are in the form of cash (or substantially all cash or Cash Equivalents);

(B) the Senior Subordinated Notes Trustee is notified in writing that, on completion of the sale of any shares in any member of the Group which are the subject of a Transaction Security in favour of the Security Agent, such member of the Group and each of its Subsidiaries is simultaneously and unconditionally released from all present and future obligations and liabilities in respect of the Senior Debt (or such Senior Debt is sold or otherwise disposed of by the relevant creditors to the purchaser of such member of the Group) and such obligations are not assumed by the purchaser of such member of the Group or an Affiliate of such purchaser;

(C) the proceeds are applied in accordance with clause 12 (*Application of Proceeds*) of the Intercreditor Agreement and Clause 9 (*Proceeds*) of this Agreement; and

(D) either such disposal is made (I) pursuant to a public auction (which for the avoidance of doubt only includes a public auction referred to in Clause 10.2(d)(i) above if it also complies with the definition of "public auction" in paragraph (iii) below) or (II) for fair market value as certified by an internationally recognised investment bank or internationally recognised accounting firm selected by the Security Agent (being an investment bank or accounting firm different from that which acted as valuer in connection with any judicial foreclosure (*attribution judiciaire*) or contractual foreclosure (*attribution conventionnelle*) referred to in paragraph (d)(ii) or (d)(iii), respectively, of Clause 10.2 (*Manner of enforcement*)).

(iii) For the purposes of paragraph (ii) above:

a "**public auction**" is an auction in which more than one bidder participates or is invited to participate and which is conducted in accordance with the advice of an internationally recognised investment bank and in which, if the sale is undertaken by or at the request of the Senior Creditors, the Senior Subordinated Creditors shall have a right to participate. A "**right to participate**" shall be interpreted to mean that any offer, or indication of a potential offer, that a Senior Subordinated Creditor makes shall be considered by those running the public auction process against the same criteria as any offer, or indication of a potential offer, by any other bidder or potential bidder; and

"**fair market value**" means an opinion must be given by an internationally recognised investment bank or an internationally recognised accounting firm and be capable of being relied on by the Senior Subordinated Creditors and state that the amount received in connection with such sale is fair from a financial point of view after taking into account all relevant circumstances (including the circumstances giving rise to such sale) provided that the

liability of such investment bank or accounting firm selected by the Security Agent in giving such opinion may be limited to the amount (or a multiple of the amount) of its fees in respect of such engagement.

(c) Each Senior Creditor and each Senior Subordinated Notes Representative (without the need for any further referral to or authority from the other Senior Subordinated Creditors (other than with respect to a release pursuant to paragraph (b)(i) above (to the extent such authority is required under the Senior Subordinated Notes Indenture))) and each Obligor will promptly execute any documents as may be necessary to give effect to such releases as the Security Agent may reasonably require to give effect to this Clause 10.4 (in each case, subject to its costs and expenses being paid or indemnified).

(d) No release of any member of the Group pursuant to this Clause 10.4 will affect the obligations and liabilities of any other member of the Group under the Facility Documents.

11. AMENDMENTS AND WAIVERS

11.1 Amendments to Senior Subordinated Notes Documents and Subordinated Proceeds Loan Agreements

(a) Except as the Senior Agent has previously expressly consented in writing, prior to the Senior Discharge Date, no Obligor and no Senior Subordinated Creditor may amend any term of:

(i) any Senior Subordinated Notes Document, if following such amendment the Senior Subordinated Notes Documents would cease to comply with the Senior Subordinated Notes Major Terms or this Agreement; or

(ii) any Subordinated Proceeds Loan Agreement, if following such amendment the relevant Subordinated Proceeds Loan Agreement would cease to comply with the definition of "**Subordinated Parent Loan**" or, as the case may be, "**Subordinated Company Loan**".

(b) Save as permitted by this Agreement, and except for the Senior Subordinated Notes Security, no obligation under the Senior Subordinated Notes Documents, any Subordinated Proceeds Loan Agreement or any Subsidiary Proceeds Loan Agreement may be guaranteed or otherwise given credit support by, or secured by any assets of, the Parent or any member of the Group without the consent of the Senior Agent (acting on the instructions of the Majority Senior Creditors) provided that any member of Group that guarantees the Senior Debt may also guarantee the Senior Subordinated Note Debt if that member of the Group is a Party to this Agreement as an Obligor.

11.2 Refinancing of Senior Debt

(a) If all amounts outstanding under the Finance Documents are, or are proposed to be, refinanced by new monies made available under an agreement which falls within the definition of "Credit Facilities" (as defined in the Senior Subordinated Notes Indenture) or by new monies otherwise designated by the Parent in accordance with the Senior Subordinated Notes Indenture to rank ahead of the Senior Subordinated Notes Debt (the "**Replacement Senior Credit Agreement"**), the Shared Security over any asset granted in favour of the Senior Subordinated Notes Creditors will be automatically released immediately after the release of the Transaction Security over the same asset securing amounts outstanding under the Finance Documents and simultaneously replaced by new Security Interests (ranking junior to the Security Interests created in respect of all amounts from time to time actually or contingently outstanding under the Replacement Senior Credit Agreement and related documents (including, without limitation, any derivatives transactions ("**Replacement Hedging"**) entered into to hedge interest rate or currency exposures of the Parent and/or the Group arising in connection with the indebtedness under the Replacement Senior Credit Agreement)) in favour of the Senior Subordinated Notes Collateral Agent and/or the Senior

Subordinated Notes Creditors on substantially the same terms (including as to ranking) as the released Shared Security, provided that no Shared Security Document may be released pursuant to this Clause 11.2, unless contemporaneously with such release, the Senior Subordinated Issuer delivers to the Senior Subordinated Notes Trustee either (1) a solvency opinion from an internationally recognised investment bank or accounting firm, in form and substance reasonably satisfactory to the Senior Subordinated Notes Trustee confirming the solvency of the Senior Subordinated Issuer or relevant member of the Group granting such Security Interest after giving effect to any transactions related to such release and replacement or (2) a certificate from the board of directors or chief financial officer of the Senior Subordinated Issuer or relevant member of the Group granting such Security Interest (acting in good faith) that confirms the solvency of such person after giving effect to any transactions related to such release and replacement or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Senior Subordinated Notes Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such release and replacement, the Security Interests securing the Senior Subordinated Notes created under the Shared Security Documents so released and replaced are valid and perfected Security Interests not otherwise subject to (and were not immediately prior to such action subject to) any limitation, imperfection or new hardening period, in equity or at law.

(b) The Senior Subordinated Notes Representatives (for themselves and on behalf of the Senior Subordinated Noteholders) (subject to their costs and expenses being paid or indemnified), the Senior Subordinated Noteholders, the Obligors and the Senior Subordinated Issuer shall at the request of the Company amend this Agreement or enter into a replacement intercreditor agreement with the lenders under the Replacement Senior Credit Agreement (and/or any agent and/or trustee acting on their behalf) and/or the providers of any Replacement Hedging on the same terms and conditions (including, without limitation, as to ranking, subordination, payment blockage, standstills on enforcement and releases of guarantees and Security Interests on senior enforcement) as this Agreement (*mutatis mutandis*) to facilitate the refinancing of the Senior Debt contemplated by paragraph (a) above and do all other acts and things as are reasonably required and practicable to give effect to such refinancing.

11.3 Refinancing of Senior Subordinated Notes by Permitted Junior Securities

(a) If any of the Senior Subordinated Notes are, or are proposed to be, discharged in whole or in part from the proceeds of an issue of Permitted Junior B Securities, the Senior Agent (acting on behalf of the Senior Creditors, each of whom authorises it so to do) and the Security Agent (subject to their costs and expenses being paid or indemnified) will, at the request of the Company, enter into an amendment agreement to this Agreement with the Obligors, the Senior Subordinated Issuer, the Senior Subordinated Note Representatives (to the extent any Senior Subordinated Notes remain outstanding) and the trustee in respect of and/or the holders of the Permitted Junior B Securities, or (in the case of a discharge in whole) into a separate agreement with the Obligors and the trustee in respect of and/or the holders of the Permitted Junior B Securities on substantially the same terms as the relevant provisions of this Agreement, to facilitate such discharge. Pursuant to such agreement the trustee in respect of and holders of the Permitted Junior B Securities shall have the same rights and obligations (*mutatis mutandis*) in respect of the Permitted Junior B Securities and any guarantees and Security Interests therefor (including, without limitation, as to ranking, subordination, payment blockage, standstills on enforcement and releases of guarantees and Security Interests on senior enforcement) as the Senior Subordinated Note Representatives and the Senior Subordinated Noteholders have in respect of the Senior Subordinated Note Documents.

(b) For the avoidance of doubt, and notwithstanding any other provision of this Agreement, the Senior Subordinated Notes may be discharged in whole or in part from the net proceeds of issue of Permitted Junior A Securities.

11.4 Amendments to facilitate additional senior Financial Indebtedness

If at any time a member of the Group wishes to incur additional Financial Indebtedness which is permitted by the Finance Documents and the Senior Subordinated Notes Documents (to the extent then in force) to be incurred and to rank senior to the Non-Issuer Note Debt, the Senior Subordinated Notes Representatives shall take such action as is requested by the Company to enter into any additional intercreditor arrangements or to amend this Agreement so as to facilitate such incurrence (subject to any restrictions in respect of such incurrence in the relevant documents) and each Senior Subordinated Creditor (other than the Senior Subordinated Notes Representatives), by accepting a Senior Subordinated Note, shall be deemed to have authorised such actions by the Senior Subordinated Notes Representatives.

11.5 Amendments to facilitate additional Senior Subordinated Notes

Notwithstanding any other term of this Agreement, to the extent that an issue of Senior Subordinated Notes is permitted under the Finance Documents and the Senior Subordinated Note Documents (to the extent then in force), each Party agrees that it will, at the request of the Company, enter into any additional intercreditor arrangements or amend this Agreement (in each case providing substantially similar rights and remedies as those provided in this Agreement) so as to facilitate that issuance (subject to any restrictions in respect of that issuance or intercreditor arrangements in the relevant Finance Document or Senior Subordinated Note Document) and, in respect of the Senior Subordinated Notes Representatives, each Senior Subordinated Note Creditor (other than the Senior Subordinated Note Representatives) by accepting a Senior Subordinated Note shall be deemed to have authorised such actions by the Senior Subordinated Note Representatives.

11.6 Amendments only requiring consent of certain Parties

(a) In this Clause 11, "**Relevant Change**" means any amendment or waiver of this Agreement.

(b) To the extent that a Relevant Change only affects the rights and obligations of one or more Parties or a class of Parties and could not reasonably be expected to be adverse to the interests of other Parties or another class of Parties, only the Parties affected by Relevant Change must agree to that Relevant Change. To the extent that an amendment affects the rights and obligations of:

  (i) the Senior Subordinated Noteholders, such amendment must be agreed to by the Senior Subordinated Notes Trustee only (acting in accordance with the terms of the Senior Subordinated Notes Indenture); and

  (ii) the Lenders, such amendment must be agreed to by the Senior Agent only (acting on the instructions of the required number of Lenders under the Senior Facilities Agreement).

(c) To the extent a Relevant Change relates to the requirements of any person proposing to act as Senior Subordinated Notes Trustee (and who becomes the Senior Subordinated Notes Trustee) which are customary for persons acting in such capacity, provided such Relevant Change could not reasonably be expected to be materially prejudicial to the interests of any other Party to this Agreement, this Agreement may be amended with the consent of the Security Agent and the Company only.

(d) To the extent a Relevant Change relates to the requirements of any person proposing to act as Senior Subordinated Notes Collateral Agent (and who becomes the Senior Subordinated Notes Collateral Agent) which are customary for persons acting in such capacity, provided such Relevant

Change could not reasonably be expected to be materially prejudicial to the interests of any other Party to this Agreement, this Agreement may be amended with the consent of the Security Agent and the Company only.

(e) To the extent a Relevant Change constitutes a minor or technical change, or is necessary to correct any manifest error, omission or default, this Agreement may be amended with the consent of the Security Agent, the Senior Subordinated Notes Trustee and the Company only.

(f) After the Senior Discharge Date, the Senior Creditors shall be deemed to have ceased to be Parties and any amendment of this Agreement (or any provision in this Agreement expressly requiring the consent or approval of the Senior Creditors) shall not require the consent of (and shall not be required to be executed by) any of the Senior Creditors.

11.7 Procedure

Any Relevant Change made in accordance with this Clause 11 (*Amendments and Waivers*) shall be binding on all Parties. Each Senior Creditor agrees that any Relevant Change made in accordance with this Clause may be effected by the Senior Agent on its behalf. Each Senior Subordinated Creditor agrees that any Relevant Change made in accordance with this Clause may be effected by the Senior Subordinated Notes Trustee on its behalf. Each Party (other than the Senior Creditors and the Senior Subordinated Creditors) agrees that any Relevant Change made in accordance with this Clause may be effected by the Company on its behalf.

11.8 Remedies Cumulative, Waivers

The rights of each Senior Creditor and each Senior Subordinated Creditor under this Agreement:

(a) are cumulative and not exclusive of its rights under the general law;

(b) may be waived only in writing and specifically; and

(c) may be exercised as often as necessary.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

12. NO OBJECTION

No Senior Subordinated Creditor or Obligor or the Senior Subordinated Issuer shall have any claim or remedy against any of the Senior Creditors by reason of any transaction entered into between any of the Senior Creditors and the Parent or any member of the Group or any requirement or condition imposed by or on behalf of the Senior Creditors on any member of the Group which breaches or is or causes a default under any of the Facility Documents, unless entered into in breach of the terms of this Agreement.

13. INFORMATION

13.1 Defaults

The Senior Subordinated Notes Trustee and the Senior Agent will promptly notify each other of the occurrence of any Event of Default (or waiver or remedy of any Event of Default) under the Senior Facilities Agreement or the Senior Subordinated Notes Indenture, as the case may be, on receipt by it of a notice specifying the event concerned (and expressly identifying it as an Event of Default) or specifying the relevant waiver or remedy.

13.2 Amount of Debt

Each of the Senior Agent and the Senior Subordinated Notes Trustee will on written request by any of the others notify the others in writing of details of the amount of the outstanding Senior Debt or Senior Subordinated Note Debt, as the case may be.

13.3 Other Information

The Senior Subordinated Issuer and each Obligor authorises each of the Senior Creditors and the Senior Subordinated Creditors to disclose to each other Senior Creditor, to shareholders or other direct investors in the Senior Subordinated Issuer and any Obligor and, following the occurrence (and during the continuance) of an Event of Default, to the Senior Subordinated Creditors all information relating to the Senior Subordinated Issuer and that Obligor, its Subsidiaries or related entities, and coming into the possession of any of them in connection with the Facility Documents.

13.4 Consultation

The Agents and the Senior Subordinated Notes Representatives shall, so far as practicable in the circumstances, consult each other before taking any formal steps to exercise any remedy against the Senior Subordinated Issuer, or any Obligor or to take any enforcement action but nothing in this Clause will invalidate or otherwise affect any action or step taken without such consultation.

13.5 Paying agents etc.

The Senior Subordinated Issuer and each Obligor and, to the extent that it is reasonably practicable to do so, each Senior Subordinated Creditor (provided, in the case of each Senior Subordinated Notes Representative only, that its costs and expenses in so acting have been paid or indemnified) shall give all necessary instructions to any paying agents, registrars, custodians, nominees, book entry depositories or agents performing similar functions to such persons in respect of the Senior Subordinated Notes in order to implement and give effect at all times to the subordination and other arrangements contemplated by this Agreement.

14. SUBROGATION

(a) If any Senior Debt is wholly or partially paid out of any proceeds received in respect of or on account of the Non-Issuer Note Debt owing to one or more Senior Subordinated Creditors, those Senior Subordinated Creditors (pro rata to their respective interests in such Non-Issuer Note Debt) will to that extent be subrogated to the Senior Debt so paid (and all securities and guarantees for that Senior Debt).

(b) Any rights of subrogation so arising cannot (and shall not) be exercised before the Senior Discharge Date without the consent of the Majority Senior Creditors.

(c) After the Senior Discharge Date, to the extent that the Senior Subordinated Creditors are entitled to exercise rights of subrogation, each Senior Creditor (subject to its being indemnified to its reasonable satisfaction against any resulting costs, expenses and liabilities) will give such assistance to enable such rights so to be exercised as either Senior Subordinated Notes Representative may reasonably request.

15. PROTECTION OF SUBORDINATION

15.1 Continuing Subordination

The subordination created, evidenced or conferred by or under this Agreement is a continuing subordination and will extend to the ultimate balance of the Senior Debt regardless of any intermediate payment or discharge in whole or in part.

15.2 Reinstatement

(a) If any discharge (whether in respect of the obligations of any Senior Subordinated Creditor or the Senior Subordinated Issuer or any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of each Senior Subordinated Creditor or the Senior Subordinated Issuer and each Obligor under this Agreement will continue or be reinstated as if the discharge or arrangement had not occurred.

(b) Each Senior Creditor or Senior Subordinated Creditor may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

15.3 Waiver of Defences

The subordination created, evidenced or conferred by or under this Agreement and the obligations of each Senior Subordinated Creditor or the Senior Subordinated Issuer and each Obligor under this Agreement will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice that subordination or any of those obligations. This includes:

(a) any time or waiver granted to, or composition with, any person;

(b) any release of any person under the terms of any composition or arrangement;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;

(d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;

(f) any amendment (however fundamental) of a Facility Document or any other document or security;

(g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Facility Document or any other document or security or the failure by the Parent or any member of the Group to enter into or be bound by any Facility Document; or

(h) any insolvency or similar proceedings.

15.4 Immediate recourse

Each Senior Subordinated Creditor and the Senior Subordinated Issuer and each Obligor waives any right it may have of first requiring any Senior Creditor (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or liquidation proceedings relative to the Senior Subordinated Issuer or any other Obligor or any other person before claiming from that Senior Subordinated Creditor, the Senior Subordinated Issuer or that Obligor under this Agreement.

15.5 Appropriations

Until the Senior Discharge Date, each Senior Creditor and Senior Subordinated Creditor (or any trustee or agent on its behalf) may without affecting the liability of any Senior Subordinated Creditor, the Senior Subordinated Issuer or any Obligor under the Facility Documents:

(a)

(i) refrain from applying or enforcing any moneys, security or rights (other than moneys, security or rights held or received under the Finance Documents) held or received by that Senior Creditor or Senior Subordinated Creditor (or any trustee or agent on its behalf) against the Senior Debt or the Senior Subordinated Note Debt (as appropriate); or

(ii) apply and enforce them in such manner and order as it sees fit (whether against the Senior Debt or Senior Subordinated Note Debt (as appropriate) or otherwise); and

(b) hold in an interest-bearing suspense account any moneys received from any Senior Subordinated Creditor, the Senior Subordinated Issuer or any Obligor or on account of that Senior Subordinated Creditor's, the Senior Subordinated Issuer's or that Obligor's liability under the Facility Documents.

15.6 Additional security

The subordination created, evidenced or conferred by or under this Agreement is in addition to and is not in any way prejudiced by any other security now or subsequently held by any Senior Creditor.

15.7 Option to Purchase

(a) Subject to paragraph (b) below, one or more of the Senior Subordinated Creditors may, at any time after (i) the Senior Agent has exercised any of its rights under clause 22.18(a) (*Acceleration*) of the Senior Facilities Agreement and (ii) the Senior Creditors have commenced any formal step to enforce any guarantee under the Finance Documents and/or any Security Interest under any Security Document, by giving not less than ten days' notice to the Security Agent, require the transfer to them (or to a nominee or nominees), in accordance with clause 32 (*Assignments and Transfers*) of the Senior Facilities Agreement, of all, but not part, of the rights, benefits and obligations in respect of the Senior Debt if:

(i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the relevant Finance Documents;

(ii) any conditions relating to such a transfer contained in the relevant Finance Documents are complied with;

(iii) to the extent that the Senior Subordinated Creditors provide cash cover for any Letter of Credit, the consent of the relevant Issuing Bank relating to such transfer is obtained;

(iv) the Senior Agent, on behalf of the Senior Creditors is paid an amount equal to the aggregate of:

(A) any amounts provided as cash cover by the Senior Creditors for any Letter of Credit;

(B) all of the Senior Debt at that time (whether or not due), including all amounts that would have been payable under the Finance Documents if the Senior Debt was being prepaid by the relevant Borrowers on the date of that payment and, in respect of any C (Additional Senior Financing) Facility Advance (as defined in the Senior Facilities Agreement) including all amounts under the corresponding Refinancing Debt that would be payable

if, at that time, an optional redemption of all such Refinancing Debt was exercised by the borrower of such Refinancing Debt; and

(C) all costs and expenses (including legal fees) incurred by the Senior Agent and/or the Senior Creditors as a consequence of giving effect to that transfer;

(v) as a result of that transfer the Senior Creditors have no further actual or contingent liability to any debtor under the Finance Documents;

(vi) an indemnity is provided from each Senior Subordinated Creditor exercising its rights pursuant to this paragraph (vi) (or from another third party acceptable to all the Senior Creditors) in a form satisfactory to each Senior Creditor in respect of all losses which may be sustained or incurred by any Senior Creditor in consequence of any sum received or recovered by any Senior Creditor from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Creditor for any reason; and

(vii) the transfer is made without recourse to, or representation or warranty from, the Senior Creditors, except that each Senior Creditor shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer.

(b) The Senior Agent shall, at the request of one or more of the Senior Subordinated Creditors following the giving of notice by it or them under this clause 15.7, notify the Senior Subordinated Creditors of the sum of the amounts described in paragraphs (a)(iv)(B) and (C) above and the amount of each Letter of Credit for which cash cover is to be provided by the Senior Subordinated Creditors.

16. PRESERVATION OF DEBT

(a) Notwithstanding any term of this Agreement postponing, subordinating or preventing the payment of any of the Senior Subordinated Note Debt, as between the Obligors and the Senior Subordinated Creditors, the Senior Subordinated Note Debt shall remain owing or payable (and interest or default interest shall continue to accrue) in accordance with the terms of the Senior Subordinated Note Documents.

(b) No delay in exercising rights and remedies under any of the Senior Subordinated Note Documents by reason of any term of this Agreement shall operate as a permanent waiver of any of those rights and remedies.

17. EXPENSES

17.1 Enforcement Costs

Each Obligor and each Senior Subordinated Creditor (other than the Senior Subordinated Notes Representatives) will within three Business Days of demand:

(a) pay to each Senior Creditor; or

(b) pay to each Senior Subordinated Notes Representative,

the amount of all costs and expenses incurred by it in connection with the enforcement against that Obligor or Senior Subordinated Creditor (as the case may be) of such person's rights against it under this Agreement.

17.2 Legal Expenses and Taxes

The costs and expenses referred to above include the fees and expenses of legal advisers and any value added tax or similar tax, and are payable in the currency in which they are incurred.

18. CHANGES TO THE PARTIES

18.1 Successors and Assigns

This Agreement is binding on the successors and assigns of the Parties.

18.2 Obligors

No Obligor or the Senior Subordinated Issuer may assign or transfer any of its rights (if any) or obligations under this Agreement.

18.3 New Obligors

The Parent will procure that each member of the Group (which is not already an Obligor) which becomes liable (whether actually or contingently) for any Senior Subordinated Note Debt becomes an Obligor (each such person being a "**New Obligor**") by the execution and delivery to the Senior Agent of all documents required pursuant to clause 20.3 (*Further Subsidiaries as Parties*) of the Intercreditor Agreement together with a duly completed Accession Instrument and any other board resolutions, opinions or other documents or evidence that the Senior Agent may reasonably require in connection with such accession.

18.4 Senior Subordinated Notes Representatives

(a) Neither of the Senior Subordinated Notes Representatives may assign or transfer or create any Security Interest over any of its rights or obligations under this Agreement save that each may transfer all such rights and obligations to any person who is to succeed it in its role under, and in accordance with the terms of, the Senior Subordinated Notes Indenture provided that no such transfer shall take effect until the Security Agent has received an Accession Instrument, duly executed by such successor.

(b) Each Senior Subordinated Notes Representative may resign or be removed in accordance with the terms of the Senior Subordinated Notes Indenture, provided that its replacement agrees with all of the other parties to this Agreement to become the relevant replacement Senior Subordinated Notes Representative under this Agreement by the execution of an Accession Instrument.

18.5 Subordinated Proceeds Loan

Other than to the Relevant Agents upon the grant of the Shared Security, no assignment or transfer of any rights or obligations under or in connection with a Subordinated Proceeds Loan Agreement (including, without limitation, pursuant to an enforcement of a Subordinated Proceeds Loan Agreement) may be made unless, prior to such assignment or transfer taking effect, the assignee or transferee accedes to this Agreement as a Senior Subordinated Creditor by delivering a duly completed Accession Instrument.

18.6 Resignation of Agents

No Agent may resign or be removed except in accordance with the Finance Documents and only if a replacement Agent agrees with all the other Parties to become party to and be bound by this Agreement as the replacement Agent by the execution and delivery to the other Agent (or if both

Agents are resigning, the Senior Subordinated Notes Trustee) of a duly completed Accession Instrument.

18.7 Supplements

Each of the other Parties appoints:

(a) the Senior Agent as its agent to sign on its behalf any Transfer Certificate entered into under the Senior Facilities Agreement; and

(b) the Security Agent (or in the circumstances referred to in Clause 18.6 (*Resignation of Agents*), the Senior Subordinated Notes Trustee) as its agent to sign on its behalf any Accession Instrument,

in order that each such Transfer Certificate or Accession Instrument may be supplemental to this Agreement and be binding on and enure to the benefit of all the Parties.

19. NOTICES

19.1 In writing

(a) Any communication in connection with this Agreement must be in writing and, unless otherwise stated, may be given in person, by post or fax.

(b) Unless it is agreed to the contrary, any consent or agreement required under this Agreement must be given in writing.

(c) Any notice given under or in connection with this Agreement must be in English.

19.2 Contact details

(a) Except as provided below, the contact details of each Party for all communications in connection with this Agreement are those notified by that Party for this purpose to the Security Agent on or before the date it becomes a Party.

(b) The contact details of the Senior Creditors and Obligors for this purpose are those originally provided for in the Senior Facilities Agreement.

(c) The contact details of the Senior Subordinated Notes Trustee and the Senior Subordinated Notes Collateral Agent for this purpose are those originally set out in the Senior Subordinated Notes Indenture.

(d) Any Party may change its contact details by giving five Business Days' notice to the Security Agent or (in the case of the Security Agent) to the other Parties.

(e) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

19.3 Effectiveness

(a) Except as provided below, any communication in connection with this Agreement will be deemed to be given as follows:

(i) if delivered in person, at the time of delivery;

(ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and

(iii) if by fax, when received in legible form.

(b) A communication given under paragraph (a) above but received on a non-Business Day or after business hours in the place of receipt will only be deemed to be given on the next Business Day in that place.

(c) A communication to the Security Agent will only be effective on actual receipt by it.

20. THE SENIOR SUBORDINATED NOTES REPRESENTATIVES

20.1 Capacity of Senior Subordinated Notes Representatives

It is expressly understood and agreed by the Parties that this Agreement is entered into by each Senior Subordinated Notes Representative not individually or personally but solely in its capacity as trustee or (as applicable) collateral agent in the exercise of the powers and authority conferred and vested in it under the Senior Subordinated Notes Indenture for and on behalf of the Senior Subordinated Noteholders for which it acts as trustee or (as applicable) collateral agent, which powers and authority shall be exercised under this Agreement in the manner provided for in the Senior Subordinated Notes Indenture, and it shall have no liability for acting in any capacity other than as trustee or (as applicable) collateral agent and subject to Clause 20.2 (*Liability of Senior Subordinated Notes Representatives*) nothing in this Agreement shall impose on it any obligation to pay any amount out of its personal assets. Prior to taking any action under this Agreement instructed to be taken in accordance with the Senior Subordinated Notes Indenture, each Senior Subordinated Notes Representative may reasonably request and rely upon an opinion of counsel or opinion of another qualified expert, at the Company's expense.

20.2 Liability of Senior Subordinated Notes Representatives

The Senior Subordinated Notes Representatives shall not owe any fiduciary duty to any Senior Creditor or any of the Agents. The Parties agree and acknowledge that in no case shall either Senior Subordinated Notes Representative be:

(a) personally responsible or accountable in damages or otherwise to any other Party for any loss, damage or claim incurred by reason of any act or omission performed or omitted by that Senior Subordinated Notes Representative in good faith in accordance with this Agreement or any of the Senior Subordinated Notes Documents in a manner that that Senior Subordinated Notes Representative believed to be within the scope of the authority conferred on it by this Agreement or any of the Senior Subordinated Notes Documents or by law (other than for its own gross negligence or wilful misconduct); or

(b) personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of any other Party, all such liability, if any, being expressly waived by the Parties and any person claiming by, through or under such Party,

provided however, that each Senior Subordinated Notes Representative (or any successor Senior Subordinated Notes Representative) shall be personally liable under this Agreement for its own gross negligence or wilful misconduct or for its breach of its covenants or obligations contained herein, to the extent expressly covenanted or undertaken in its individual capacity. It is also acknowledged and agreed that the Senior Subordinated Notes Representatives shall have no responsibility for the actions of any individual Senior Subordinated Noteholder. With respect to the Senior Creditors, each Senior Subordinated Notes Representative undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in the Senior Subordinated Notes Documents pursuant to which it acts as trustee or (as applicable) collateral agent or this Agreement, and the Parties acknowledge and agree that no implied agreement, covenants or obligations on the part of either Senior Subordinated Notes Representative shall be read into this Agreement.

20.3 Senior Creditors and Senior Subordinated Notes Representatives

In acting pursuant to this Agreement and the Senior Subordinated Notes Indenture, the Senior Subordinated Notes Representatives are not required to have any regard to the interests of the Senior Creditors.

20.4 Senior Subordinated Notes Representatives; reliance and information

Each Senior Subordinated Notes Representative shall at all times be entitled to and may rely on any notice, consent or certificate given or granted by the Senior Agent or the Security Agent pursuant to the terms of this Agreement without being under any obligation to enquire or otherwise determine whether any such notice, consent or certificate has been given or granted by the Senior Agent or the Security Agent.

20.5 Other Parties not affected

Other than Clause 20.6 (*Turnover by Senior Subordinated Notes Representatives*) (a) this Clause 20 is intended to afford protection to the Senior Subordinated Notes Representatives only and (b) no provision of this Clause 20 shall alter or change the rights and obligations as between the other Parties in respect of each other.

20.6 Turnover by Senior Subordinated Notes Representatives

Notwithstanding any provision in this Agreement to the contrary, each Senior Subordinated Notes Representative shall only have an obligation to turn over, pay or repay amounts received or recovered by it under this Agreement to the Security Agent (i) if it has actual knowledge that such amount is a Turnover Receipt received in breach of Clause 5 (*Turnover*) of this Agreement and (ii) prior to receiving that knowledge, it has not distributed that amount to the Senior Subordinated Noteholders in accordance with the provisions of the Senior Subordinated Notes Indenture.

20.7 Instructions to the Senior Subordinated Notes Representatives

Notwithstanding any other provision of this Agreement in acting under and in accordance with this Agreement:

(a) the Senior Subordinated Notes Trustee is entitled to seek instructions from the Senior Subordinated Noteholders at any time, and where it so acts on the instructions of the requisite percentage of the Senior Subordinated Noteholders, the Senior Subordinated Notes Trustee shall not incur any liability to any person for so acting other than in accordance with the Senior Subordinated Notes Indenture; and

(b) the Senior Subordinated Notes Collateral Agent is entitled to seek instructions from the Senior Subordinated Notes Trustee at any time, and where it so acts on the instructions of the Senior Subordinated Notes Trustee, the Senior Subordinated Notes Collateral Agent shall not incur any liability to any person for so acting other than in accordance with the Senior Subordinated Notes Indenture.

20.8 No action

Neither Senior Subordinated Notes Representative shall have any obligation to take any action under this Agreement unless it is indemnified to its satisfaction in accordance with the Senior Subordinated Notes Indenture in respect of all costs, expenses and liabilities which it would in its opinion thereby incur. For the avoidance of doubt, each Senior Subordinated Notes Representative's performance of Clause 5 (*Turnover*), Clause 6.3 (*Distributions*) or Clause 9.1 (*Order of Application*) shall be deemed not to result in such costs, expenses or liabilities. Neither Senior Subordinated Notes

Representative is required to indemnify any other person, whether or not a Party, in respect of any of the transactions contemplated by this Agreement.

20.9 Departmentalisation

(a) In acting as the Senior Subordinated Notes Trustee, the Senior Subordinated Notes Trustee shall be treated as acting through its trust & securities services division which shall be treated as a separate entity from its other divisions and departments. Any information received or acquired by the Senior Subordinated Notes Trustee which is received or acquired by some other division or department or otherwise than in its capacity as the Senior Subordinated Notes Trustee may be treated as confidential by the Senior Subordinated Notes Trustee and will not be treated as information possessed by the Senior Subordinated Notes Trustee in its capacity as such.

(b) In acting as the Senior Subordinated Notes Collateral Agent, the Senior Subordinated Notes Collateral Agent shall be treated as acting through its agency services division which shall be treated as a separate entity from its other divisions and departments. Any information received or acquired by the Senior Subordinated Notes Collateral Agent which is received or acquired by some other division or department or otherwise than in its capacity as the Senior Subordinated Notes Collateral Agent may be treated as confidential by the Senior Subordinated Notes Collateral Agent and will not be treated as information possessed by the Senior Subordinated Notes Collateral Agent in its capacity as such.

20.10 Reliance and information

(a) Each Senior Subordinated Notes Representative may rely and shall be fully protected in acting or refraining from acting upon any notice or other document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person.

(b) Without affecting the responsibility of the Senior Subordinated Issuer or any Obligor for information supplied by it or on its behalf in connection with any Senior Subordinated Notes Documents, each Senior Subordinated Creditor (other than the Senior Subordinated Notes Representatives) confirms that it has not relied exclusively on any information provided to it by the Senior Subordinated Notes Representatives in connection with any Senior Subordinated Notes Document. Neither Senior Subordinated Notes Representative is obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

20.11 Provisions survive termination

The provisions of this Clause 20 shall survive any termination of this Agreement.

20.12 Debt assumptions

Each Senior Subordinated Notes Representative is entitled to assume that:

(a) any payment or other distribution made by another Party in respect of the Senior Subordinated Note Debt has been made in accordance with this Agreement;

(b) no Senior Default, Senior Non-Payment Event or Insolvency Event has occurred and no Enforcement Action has commenced;

(c) none of the Senior Debt or Senior Subordinated Note Debt has been accelerated; and

(d) the Senior Discharge Date has not occurred,

unless a Responsible Officer of that Senior Subordinated Notes Representative has actual knowledge to the contrary. Neither of the Senior Subordinated Notes Representatives is obliged to

monitor or enquire whether any Senior Default, Senior Non-Payment Event or Insolvency Event has occurred or whether Enforcement Action has commenced.

20.13 Claims of Agents

Each Agent agrees and acknowledges that it shall have no rights of indemnification or claim against either Senior Subordinated Notes Representative in respect of any fees, costs, expenses and liabilities due and payable (including those by another Party) to that Agent.

20.14 Illegality

Each Senior Subordinated Notes Representative may refrain from doing anything required to be undertaken by it (including disclosing any information) which constitutes a breach of any applicable law or regulation.

20.15 Senior Subordinated Notes Representative Assumptions

Unless a Responsible Officer of the relevant Senior Subordinated Notes Representative has actual knowledge to the contrary, that Senior Subordinated Notes Representative is entitled to assume that any payment or other distribution made by another Party pursuant to this Agreement in respect of the Senior Debt or Senior Subordinated Note Debt has been made in accordance with ranking and priority or is made in accordance with the provisions of Clause 9 (*Proceeds*).

20.16 Payments

Nothing in this Agreement shall prevent (i) payment by the Senior Subordinated Issuer of Senior Subordinated Notes Representatives Amounts or (ii) the receipt and retention of such Senior Subordinated Notes Representatives Amounts by the Senior Subordinated Notes Representatives from the Senior Subordinated Issuer.

21. SEVERABILITY

If a term of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction in relation to any Party, that shall not affect:

(a) in respect of that Party the legality, validity or enforceability in that jurisdiction of any other term of this Agreement;

(b) in respect of any other Party the legality, validity or enforceability in that jurisdiction of that or any other term of this Agreement; or

(c) in respect of any Party the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.

22. COUNTERPARTS

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

23. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

24. ENFORCEMENT

24.1 Jurisdiction

(a) The English courts have exclusive jurisdiction to settle any dispute in connection with this Agreement and any dispute relating to any non-contractual obligation arising out of or in connection with this Agreement.

(b) The English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Agreement. Each Party (other than the Senior Creditors) agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Agreement.

(c) This Clause is for the benefit of the Senior Creditors only. To the extent allowed by law, a Senior Creditor may take:

(i) proceedings in any other court; and

(ii) concurrent proceedings in any number of jurisdictions.

(d) References in this Clause to a dispute in connection with this Agreement include any dispute as to the existence, validity or termination of this Agreement.

24.2 Service of process

(a) The Senior Subordinated Issuer and each Obligor not incorporated in England and Wales shall appoint a process agent for service of process in any proceedings before the English courts in connection with this Agreement.

(b) If any person appointed as process agent in accordance with this Clause is unable for any reason to so act, the Company (on behalf of the Senior Subordinated Issuer and all of the Obligors) must promptly (and in any event within 10 Business Days of such event taking place) notify the Security Agent and the Senior Subordinated Notes Trustee and appoint another agent on terms acceptable to the Security Agent. Failing this, the Security Agent may appoint another process agent for this purpose.

(c) The Senior Subordinated Issuer and each Obligor agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.

(d) This Clause does not affect any other method of service allowed by law.

[NOTE: process agent provisions may be required if the Senior Subordinated Notes Trustee is not a UK entity]

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

OBLIGORS

SCHEDULE 2

FORM OF ACCESSION INSTRUMENT

This Agreement dated [ ], [ ] is supplemental to an Intercreditor Agreement (the "**Senior Subordinated Notes Intercreditor Agreement**") dated [ ] 2011 between, amongst others, [ ] as Senior Subordinated Issuer, Ypso Holding SARL as the Parent, certain of its Subsidiaries as Obligors, BNP Paribas as Agent and Senior Agent, [ ] as Senior Subordinated Notes Trustee and [ ] as Senior Subordinated Notes Collateral Agent.

Words and expressions defined in the Intercreditor Agreement have the same meaning when used in this accession agreement.

[Name of new Obligor/Senior Agent/Security Agent/Senior Subordinated Notes Trustee/Senior Subordinated Notes Collateral Agent] hereby agrees with each other person who is or who becomes a party to the Senior Subordinated Notes Intercreditor Agreement that with effect on and from the date hereof it will be bound by the Senior Subordinated Notes Intercreditor Agreement as a[n] [Obligor/ Senior Agent/Security Agent/Senior Subordinated Notes Trustee/Senior Subordinated Notes Collateral Agent] as if it had been party originally to the Senior Subordinated Notes Intercreditor Agreement in that capacity and that it shall perform all of the undertakings and agreements set out in the Senior Subordinated Notes Intercreditor Agreement and given by a[n] [Obligor/Senior Agent/Security Agent/ Senior Subordinated Notes Trustee/Senior Subordinated Notes Collateral Agent].

The address for notices of [Obligor/Senior Agent/Security Agent/Senior Subordinated Notes Trustee/Senior Subordinated Notes Collateral Agent] for the purposes of clause 19 (*Notices*) of the Senior Subordinated Notes Intercreditor Agreement is: [ ].

This accession agreement is a Finance Document and a Senior Subordinated Notes Document.

This accession agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

.....

Executed by

[Obligor/Senior Agent/Security Agent/Senior Subordinated Notes Trustee/Senior Subordinated Notes Collateral Agent]

Acknowledged.

BNP Paribas

By:

SCHEDULE 3

FORM OF CASH COVER UNDERTAKING

CASH COVER DEED OF UNDERTAKING

dated [ ]

YPSO HOLDING SARL
as the parent

BNP PARIBAS
as security agent

Linklaters

Ref: 192574

This Deed is made on [ ] by:

(1) YPSO HOLDING S.à.r.l., a Luxembourg *société à responsabilité limitée* with registered office at 37, rue d'Anvers, L-1130 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under no. B 110.644 and whose corporate capital is €41,898,225 (the "**Parent**");

in favour of:

(2) BNP PARIBAS, a *société anonyme*, organised and existing under the laws of the French Republic, whose registered office is at 16, boulevard des Italiens, 75009 Paris, registered with the Commercial Register of Paris under no. 662 042 449 RCS Paris (as security agent for and on behalf of the Finance Parties, the "**Security Agent**").

Background

(A) Reference is made to the senior facilities agreement dated 6 June 2006 between, amongst others, the Parent, certain of the other Obligors, the Agent and the Security Agent as amended and restated on the date of the Fifth Amendment Agreement (the "**Senior Facilities Agreement**").

(B) It is intended that this document should take effect as a deed notwithstanding the fact that the Security Agent may only execute it under hand.

This Deed witnesses as follows:

1. Definitions and Interpretation

1.1 Definitions

In this Deed, unless a contrary indication appears, terms used in the Senior Facilities Agreement have the same meaning and construction, and:

"**Cash Cover**" means cash cover by the Parent for its guarantee and indemnity obligations under Clause 24 (*Guarantee*) of the Senior Facilities Agreement by means of payment by the Parent in the applicable currency or currencies of an aggregate amount equal to the aggregate amounts outstanding (whether or not due and payable) under the Finance Documents into the Cash Cover Account in the name of the Parent with the Security Agent on such condition that:

(a) any amount may be withdrawn from such account only for the purpose of paying a Finance Party an amount due and payable under the Finance Documents; and

(b) the Parent has executed a Security Document over that account, which creates first ranking fixed Security over that account in form and substance satisfactory to the Security Agent.

"**Cash Cover Trigger Event**" means the Senior Subordinated Notes Trustee giving or having given written notice to the Security Agent of the intention of:

(a) the Senior Subordinated Noteholders or the Senior Subordinated Notes Trustee to take any Enforcement Action in respect of any Subordinated Guarantee; or

(b) the Senior Subordinated Notes Trustee to instruct the Senior Subordinated Notes Collateral Agent to enforce or otherwise (to the extent applicable) require the enforcement of any of the Non-Issuer Subordinated Security.

"**Enforcement Action**" has the meaning given to it in the form of Senior Subordinated Notes Intercreditor Deed set out in Schedule 21 (*Form of Senior Subordinated Notes Intercreditor Deed*) to the Senior Facilities Agreement.

"**Non-Issuer Subordinated Security**" has the meaning given to it in the form of Senior Subordinated Notes Intercreditor Deed set out in Schedule 21 (*Form of Senior Subordinated Notes Intercreditor Deed*) to the Senior Facilities Agreement.

1.2 Construction

(e) Unless a contrary indication appears, a reference in this Deed to:

(i) the "**Security Agent**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees; and

(ii) a "**person**" includes any person, firm, company, corporation, government, state or agency of a state or any grouping (whether or not having separate legal personality) of two or more of the foregoing.

(f) The provisions of Clause 1.7 (*References to Agreements*) of the Senior Facilities Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Senior Facilities Agreement are to be construed as references to this Deed.

1.3 Third Party Rights

A person who is not a party to this Deed has no right under the *Contracts (Rights of Third Parties) Act 1999* to enforce or enjoy the benefit of any term of this Deed.

2. **Undertaking**

The Parent hereby undertakes to provide Cash Cover immediately on demand by the Security Agent following a Cash Cover Trigger Event.

3. **Amendments**

No amendment or waiver of this Deed may be made without the agreement of the Parent and the Security Agent (acting on the instructions of the Majority Senior Creditors). Other than the consent of the Security Agent (acting on the instructions of the Majority Senior Creditors), no consent of any other Senior Creditor is required for an amendment or waiver of this Deed.

4. **Counterparts**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

5. **Governing Law**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Deed has been delivered on the date stated at the beginning of this Deed.

SIGNATURES

THE PARENT

Signed as a deed by **YPSO HOLDING SARL**, a company incorporated in Luxembourg, by **[•]**, being a person who, in accordance with the laws of that territory, is acting under the authority of the company

.....
Authorised Signatory

THE SECURITY AGENT

Signed as a deed by **BNP PARIBAS**, a company incorporated in France, by **[•]**, being a person who, in accordance with the laws of that territory, is acting under the authority of the company

.....
Authorised Signatory

Signatories

Senior Subordinated Issuer

[ ]

By:

Parent

[ ]

By:

Obligors

[ ]

By:

By:

By:

By:

By:

By:

By:

By:

Senior Agent and Security Agent

[ ]

By:

Senior Subordinated Notes Trustee

[ ]

By:

Senior Subordinated Notes Collateral Agent

[ ]

By:

SCHEDULE 22

CONDITIONS TO THE OCCURRENCE OF THE 2011 EXTENSION EFFECTIVE DATE

The occurrence of the 2011 Extension Effective Date is conditional upon each of the following having occurred:

1. the consummation of one or more Senior Subordinated Notes offerings (and the making of the corresponding Subordinated Proceeds Loans) and/or drawing of C (Additional Senior Financing) Facility Advances, and all the proceeds thereof (in each case, after deducting the Senior Note Issue Costs and any Break Costs in connection with the relevant prepayments) having been applied in prepayment of the Facilities as required under Clause 8.3 (*Proceeds of Senior Subordinated Notes and C (Additional Senior Financing) Facility Advances*);

2. the aggregate of (i) any Additional B/C Facility Prepayments; and (ii) prepayments made pursuant to Clause 8.3 (*Proceeds of Senior Subordinated Notes and C (Additional Senior Financing) Facility Advances*) being at least equal to €350,000,000;

3. the maturity of the Shareholder Debt and Private Equity Contributions having been extended (to the extent necessary) to a date that is not earlier than 30 June 2018;

4. evidence that at least:

(i) 50% of the Commitments in relation to the A (Recap) 1 Facility, the A (Acq) 1 Facility and the Capital Investment Facility (taken together, but excluding any such Commitments held by Coditel Debt) have been designated as Commitments in relation to the A (Recap) 1-II Facility, the A (Acq) 1-II Facility and the Capital Investment Facility 1-II respectively;

(ii) 66.6% of the Commitments in relation to the B (Recap) 1 Facility, the B (Acq) 1 Facility, the B (Acq) 2 Facility, the C (Recap) Facility and the C (Acq) Facility (taken together) but excluding any such Commitments held by Coditel Debt have been designated as Commitments in relation to the B (Recap) 1-II Facility, the B (Acq) 1-II Facility, the B (Acq) 2-II Facility, the C (Recap)-II Facility and the C (Acq)-II Facility respectively; and

(iii) 100% of all Commitments held by Coditel Debt and which are Relevant Facilities Commitments have been designated as Commitments under each of the relevant Extended Facilities;

5. execution of the following documents in form and substance satisfactory to the Security Agent:

(i) a second ranking assignment agreement signed by Coditel Debt in respect of its purchased Outstandings (in the same form as the first ranking assignment with necessary changes to take into account the second ranking nature of the Security Document); and

(ii) confirmation letters signed by each Obligor party to any existing Security Documents governed by French law confirming that the Security created thereunder extends to secure the Obligor's obligations in respect of the Facilities (including the Extended Facilities) as amended on the 2011 Extension Effective Date in similar form to those provided in respect of the Fourth Amendment Agreement; and

6. the provision of legal opinions in relation to the second ranking assignment and confirmation letters referred to in paragraph 5 above from (i) Linklaters LLP as to English law, covering (to the extent relevant) the same matters as the matters covered by the opinions issued by that firm in respect of the Security Documents executed in connection with the Fourth Amendment Agreement and (ii) counsel to the relevant Obligors covering capacity and authorisation in the same form (*mutatis mutandis*) as those provided as conditions precedent to the occurrence of the Fifth Amendment Agreement Effective Date.

SCHEDULE 23

FORM OF C (ADDITIONAL SENIOR FINANCING) FACILITY VOTING UNDERTAKING

THIS UNDERTAKING is signed on [ ]:

by [ ], a **[*Describe entity*]** (the "**C (Additional Senior Financing) Facility Lender**") and is in favour of the Finance Parties (other than the C (Additional Senior Financing) Facility Lenders) from time to time.

WITNESSES as follows:

BACKGROUND

This Undertaking sets out the manner in which the C (Additional Senior Financing) Facility Lender will exercise its voting rights in respect of any request for a consent, waiver or amendment or any other vote under any Finance Document.

DEFINITIONS AND INTERPRETATION

(a) Capitalised terms used in this Undertaking have the same meanings given to them in the Senior Facilities Agreement dated 6 June 2006 as amended and restated from time to time between, among others, YPSO Holding S.A. as the Parent and BNP Paribas as Agent and Security Agent (the "**Senior Facilities Agreement**").

(b) The provisions of clause 1.3 (*Construction*) of the Senior Facilities Agreement apply to this Undertaking as though they were set out in full in this Undertaking, except that references to the Senior Facilities Agreement are to be construed as references to this Undertaking.

(c) This is a C (Additional Senior Financing) Facility Voting Undertaking.

1. NON-ENFORCEMENT VOTING REQUEST

(a) The C (Additional Senior Financing) Facility Lender shall be permitted to vote in relation to amendments to the partial payments waterfall (dealing with the situation where a payment shortfall occurs under the Senior Facilities Agreement and the Lenders are voting to change the order in which any resulting losses are shared) and resignation of the Agent and/or Security Agent and replacement thereof, in which case the C (Additional Senior Financing) Facility Lender will be entitled to exercise voting rights freely with the other Lenders on a Euro for Euro basis (and in accordance with the split of votes of the Refinancing Creditors under the relevant Refinancing Debt).

(b) In the case of any voting request which relates to the rights or obligations of the C (Additional Senior Financing) Facility Lender (in its capacity as such, including, without limitation, the rights of the C (Additional Senior Financing) Facility Lender under Clauses 22.6(b) (*Cross-default*), 22.18(d) (*Acceleration*) and 22.19(c) (*Repayment on Demand*)) under or in respect of a C (Additional Senior Financing) Facility tranche, the consent of the C (Additional Senior Financing) Facility Lender shall be required. For the avoidance of doubt, the C (Additional Senior Financing) Facility Lender shall also be entitled to exercise its rights under Clauses 22.6(b) (*Cross-default*), 22.18(d) (*Acceleration*) and 22.19(c) (*Repayment on Demand*).

2. ENFORCEMENT VOTING REQUEST

In respect of any directions or instructions to the Agent or the Security Agent in relation to any enforcement action under the Finance Documents following the taking of action under any of the acceleration provisions or any other enforcement of Security under the Security Documents:

(a) where the aggregate amount of the C (Additional Senior Financing) Facility Commitments of all the C (Additional Senior Financing) Facility Lenders is less than 40% or greater than 66.⅔% of the aggregate amount of all Commitments under the Senior Facilities Agreement eligible to be voted, the C (Additional Senior Financing) Facility Lender shall be entitled to vote on that enforcement action with the other Lenders on a Euro for Euro basis (and in accordance with the split of votes of the Refinancing Creditors under the relevant Refinancing Debt); and

(b) where the aggregate amount of the C (Additional Senior Financing) Facility Commitments of all the C (Additional Senior Financing) Facility Lenders is between 40% and 66.⅔% of the aggregate amount of all Commitments under the Senior Facilities Agreement eligible to be voted, the C (Additional Senior Financing) Facility Lender and any other C (Additional Senior Financing) Facility Lenders will (together) be entitled to exercise voting rights freely up to 40% with the other Lenders on a Euro for Euro basis (and in accordance with the split of votes of the Refinancing Creditors under the relevant Refinancing Debt) and the excess above 40% will be deemed voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, pro rata to the acceptance, rejection or abstention by the other Lenders (excluding the C (Additional Senior Financing) Facility Lenders).

3. C (ADDITIONAL SENIOR FINANCING) FACILITY LENDER'S RIGHT TO VOTE

(a) Except as otherwise provided under paragraphs 1 or 2 above, the C (Additional Senior Financing) Facility Lender authorises the Agent to treat its voting entitlement as having been split and voted (as an acceptance, rejection or abstention) in the same proportions as the votes of the other Lenders (excluding the C (Additional Senior Financing) Facility Lenders) including as a result of the operation of Clause 38.6 (*Non-responding Lender*). For the avoidance of doubt, where all the other Lenders have voted in favour of any proposal which requires all Lender consent, the C (Additional Senior Financing) Facility Lender shall be deemed to have voted in favour of the proposal (unless it is a proposal falling under paragraph (1) or (2) above).

(b) When it is permitted to exercise voting rights freely under paragraphs (1) or (2) above, the C (Additional Senior Financing) Facility Lender shall do so in the same proportions as the Refinancing Creditors under the relevant Refinancing Debt have done.

4. AMENDMENTS AND WAIVERS

(a) No amendment or waiver of this Undertaking may be made without the agreement of the C (Additional Senior Financing) Facility Lender and the Agent (acting on the instructions of the Instructing Group).

(b) Except for the Finance Parties (other than the C (Additional Senior Financing) Facility Lenders), a person who is not a party to this Undertaking has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Undertaking.

(c) Other than the consent of the Agent (acting on the instructions of the Instructing Group), no consent of any other Finance Party is required for an amendment or waiver of this Undertaking.

5. COUNTERPARTS

This Undertaking may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. GOVERNING LAW

This Undertaking and any non-contractual obligations arising out of or in connection with it are governed by English law.

7. ENFORCEMENT

Each of the parties hereto irrevocably agrees for the benefit of each of the Finance Parties that the Courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Undertaking (including a dispute regarding the existence, validity or termination of this Undertaking) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

Signed in [ ] on [ ] in [ ] originals

[C (Additional Senior Financing) Facility Lender]
By:

Accepted by:
Agent
[ ]
By:

SCHEDULE 24

REFINANCING DEBT MAJOR TERMS

1. Any Refinancing Debt:

(a) will have a scheduled maturity no earlier than 30 June 2018; and

(b) will have make-whole, call protection and other redemption premium, optional redemption, change of control and asset sale provisions, as well as covenants and events of default, each of a type customary for financial instruments similar to the senior secured notes issued by financial sponsor portfolio companies in the European market as determined by the Company in good faith; and

(c) may benefit from a Covenant Agreement.

2. Payment of interest or any other return will be no more frequent than semi-annually (or quarterly in the case of floating rate debt).

3. If the Refinancing Debt is incurred on or before 15 February 2012, the yield to maturity (interest and original issue discount, and including up-front arrangement and underwriting fees (assuming a six year transaction)) in respect of the Refinancing Debt will be capped at 13.50 per cent. per annum (if it bears interest at a fixed rate) or EURIBOR/LIBOR plus 11.00 per cent. per annum (if it bears interest at a floating rate).

4. There will be no mandatory redemption or sinking fund payments or prepayments of or in respect of any Refinancing Debt (it being acknowledged that Refinancing Debt Documents may provide for mandatory offers to purchase the relevant Refinancing Debt in the event of a change of control and mandatory repurchase obligations in respect of certain asset sales, in each case on terms (including any make-whole, call protection and other early redemption premium) customary for financial instruments similar to senior secured notes issued by financial sponsor portfolio companies in the European market as determined by the Company in good faith).

5. The obligations under or in respect of the Refinancing Debt may not be guaranteed by or have the benefit of any Security given by any member of the Group or otherwise benefit from any recourse to any member of the Group except that the Refinancing Creditors of such Refinancing Debt may benefit from:

(a) rights under any purchase agreement on customary terms and any Covenant Agreement; and

(b) Security over or an assignment of the rights of the relevant C (Additional Senior Financing) Facility Lender under the Finance Documents.

6. The Refinancing Debt will be denominated in euros or US dollars.[(2)]

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(2) Pursuant to a letter dated 9 October 2012, the Company has undertaken to the Lenders that it will ensure that:

(a) the yield to maturity (interest and original issue discount, and including up-front arrangement and underwriting fees (assuming a six year transaction)) in respect of any Refinancing Debt incurred after 9 October 2012 will not exceed 13.50 per cent. per annum (if it bears interest at a fixed rate) or EURIBOR/LIBOR plus 11.00 per cent. per annum (if it bears interest at a floating rate); and

(b) the cash pay yield to maturity (interest and original issue discount and including up-front arrangement and underwriting fees (assuming a six year transaction)) in respect of any Senior Subordinated Notes issued after 9 October 2012 will not exceed 15.50 per cent. per annum (if they bear interest at a fixed rate) or EURIBOR/LIBOR plus 13.00 per cent. per annum (if they bear interest at a floating rate) provided that this will not restrict the capitalisation of non-cash pay interest or any other non cash-pay return or the accretion of principal or deferral of interest or return as a lump sum that accrues non-cash pay interest or return or similar.

SCHEDULE 25

CONDITIONS PRECEDENT TO C (ADDITIONAL SENIOR FINANCING) FACILITY UTILISATION

1. A C (Additional Senior Financing) Facility Commitment Letter duly executed by the Company and the C (Additional Senior Financing) Facility Lender and delivered to the Agent.

2. A C (Additional Senior Financing) Facility Voting Undertaking duly executed by the C (Additional Senior Financing) Facility Lender and delivered to the Agent.

3. Certified copies of any Covenant Agreement and of any security granted over the C (Additional Senior Financing) Facility Lender's rights under the Finance Documents.

4. Unless the C (Additional Senior Financing) Facility Lender is already a party to the Intercreditor Agreement, a Deed of Accession (as defined in the Intercreditor Agreement) duly executed by each of the C (Additional Senior Financing) Facility Lender and the Company.

5. Evidence that the corresponding Refinancing Debt has been incurred and funded.

6. A certificate from the Company confirming that (i) the Refinancing Creditors will have no recourse in relation to the relevant Refinancing Debt to any member of the Group other than as permitted under the Refinancing Debt Major Terms and this Agreement and (ii) the terms of the Refinancing Debt Documents will comply with the Refinancing Debt Major Terms.

7. Any additional Security Documents and/or amendments to or confirmations in respect of existing Security Documents required by the Security Agent in accordance with paragraph (m) of Clause 2.7 (*C (Additional Senior Financing) Facility*).

8. Provided that such letter is delivered to the Company by the Agent within 3 Business Days of being requested to do so (with the provision of all necessary information), a TEG letter in relation to the C (Additional Senior Financing) Facility Advance, countersigned by the Company.

SCHEDULE 26

ANCILLARY FACILITY REQUEST

From: [Company]

To: [Agent]

Dated:

Dear Sirs

Ypso France SAS—Senior Facility Agreement
dated 6 June 2006 as amended and restated most recently on [ ] 2011
(the "Agreement")

1. We refer to the Agreement. This is an Ancillary Facility Request. Terms defined in the Agreement have the same meaning in this Ancillary Facility Request unless given a different meaning in this Ancillary Facility Request.

2. We wish to establish an Ancillary Facility on the following terms:

Proposed Borrower:	[ ]
Proposed Ancillary Lender:	[ ]
Type or types of facility:	[ ]
Commencement Date:	[ ]
Expiry date:	[ ]
Ancillary Commitment amount:	[ ]
Currency/ies available:	[ ]

3. We confirm that each condition specified in paragraphs (a) and (b) of the section entitled "Grant of Ancillary Facility" of Clause 2.11 (*Anciallary Facilities*) is satisfied on the date of this Ancillary Facility Request.

4. This Ancillary Facility Request is irrevocable.

Yours faithfully

_____

authorised signatory for
[name of *Company*]

SCHEDULE 27

FORM OF LETTER OF CREDIT

To: [*Beneficiary*](the "**Beneficiary**")

Date

Irrevocable Standby Letter of Credit no. [ ]

At the request of [ ], [*Issuing Bank*] (the "**Issuing Bank**") issues this irrevocable standby Letter of Credit ("**Letter of Credit**") in your favour on the following terms and conditions:

1. Definitions

In this Letter of Credit:

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for general business in [London].*

"**Demand**" means a demand for a payment under this Letter of Credit in the form of the schedule to this Letter of Credit.

"**Expiry Date**" means **[ ]**.

"**Total L/C Amount**" means **[ ]**.

2. Issuing Bank's agreement

(a) The Beneficiary may request a drawing or drawings under this Letter of Credit by giving to the Issuing Bank a duly completed Demand. A Demand must be received by the Issuing Bank by no later than **[ ]** p.m. ([London] time) on the Expiry Date.

(b) Subject to the terms of this Letter of Credit, the Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, within [ten] Business Days of receipt by it of a Demand, it must pay to the Beneficiary the amount demanded in that Demand.

(c) The Issuing Bank will not be obliged to make a payment under this Letter of Credit if as a result the aggregate of all payments made by it under this Letter of Credit would exceed the Total L/C Amount.

3. Expiry

(a) The Issuing Bank will be released from its obligations under this Letter of Credit on the date (if any) notified by the Beneficiary to the Issuing Bank as the date upon which the obligations of the Issuing Bank under this Letter of Credit are released.

(b) Unless previously released under paragraph (a) above, on **[ ]** p.m. ([London] time) on the Expiry Date the obligations of the Issuing Bank under this Letter of Credit will cease with no further liability on the part of the Issuing Bank except for any Demand validly presented under the Letter of Credit that remains unpaid.

(c) When the Issuing Bank is no longer under any further obligations under this Letter of Credit, the Beneficiary must return the original of this Letter of Credit to the Issuing Bank.

NOTES:

* This may need to be amended depending on the currency of payment under the Letter of Credit.

4. Payments

All payments under this Letter of Credit shall be made in **[ ]** and for value on the due date to the account of the Beneficiary specified in the Demand.

5. Delivery of Demand

Each Demand shall be in writing, and, unless otherwise stated, may be made by letter, fax or telex and must be received in legible form by the Issuing Bank at its address and by the particular department or office (if any) as follows:

[ ]

6. Assignment

The Beneficiary's rights under this Letter of Credit may not be assigned or transferred.

7. ISP

Except to the extent it is inconsistent with the express terms of this Letter of Credit, this Letter of Credit is subject to the International Standby Practices (ISP 98), International Chamber of Commerce Publication No. 590.

8. Governing Law

This Letter of Credit and any non-contractual obligations arising out of or in connection with it are governed by English law.

9. Jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter of Credit (including a dispute relating to any non-contractual obligation arising out of or in connection with this Letter of Credit).

Yours faithfully
[*Issuing Bank*]

By: _____

SCHEDULE

FORM OF DEMAND

To: [ISSUING BANK]

[Date]

Dears Sirs

Standby Letter of Credit no. [ ] issued in favour of [BENEFICIARY] (the "Letter of Credit")

We refer to the Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Demand.

10. We certify that the sum of **[ ]** is due [and has remained unpaid for at least **[ ]** Business Days] [under [set out underlying contract or agreement]]. We therefore demand payment of the sum of **[ ]**.

11. Payment should be made to the following account:

Name:	[ ]
Account Number:	[ ]
Bank:	[ ]

12. The date of this Demand is not later than the Expiry Date.

Yours faithfully

(Authorised Signatory) (Authorised Signatory)

For [BENEFICIARY]

Signed in Paris in 13 originals

SIGNATORIES

THE PARENT

YPSO HOLDING SA

By: MICHEL MATAS

Name: MICHEL MATAS

Address: 8-10 rue Mathias Hardt
L-1717 Luxembourg
Copy to: Eno France SAS
23 rue du Roule
75001 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

THE ORIGINAL BORROWERS

YPSO FRANCE SAS (formerly named ENO FRANCE SAS)

By: MICHEL MATAS

Name: MICHEL MATAS

Address: 26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

CODITEL BRABANT S.p.r.l.

By: MICHEL MATAS

Name: MICHEL MATAS

Address: Rue des Deux Eglises, 26
1000 Bruxelles
Belgium
Copy to: YPSO FRANCE SAS (formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

ALTICE FRANCE EST SAS

By: MICHEL MATAS

Name: MICHEL MATAS

Address: 4, rue des Mercuriales
67450 Lampertheim
France
Copy to: YPSO FRANCE SAS (formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

CODITEL S.àR.L.

By: MICHEL MATAS

Name: MICHEL MATAS

Address: 283, route d' Arlon
L-8011 Strassen
Luxembourg
Copy to: YPSO FRANCE SAS (formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

EST VIDEOCOMMUNICATION SAS

By: MICHEL MATAS

Name: MICHEL MATAS

Address: 4, rue des Mercuriales
67450 Lampertheim
France
Copy to: YPSO FRANCE SAS (formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

NUMÉRICÂBLE SAS

By: MICHEL MATAS

Name: MICHEL MATAS

Address: 26/40 rue d'Oradour sur Glane
75015 Paris

Fax: +33 (0)1 55 92 46 95

Attention: The President

THE ORIGINAL GUARANTORS

YPSO HOLDING SA

By: MICHEL MATAS

Name: MICHEL MATAS

By:

Name:

Address: 8-10 rue Mathias Hardt
L-1717 Luxembourg
Copy to: YPSO FRANCE SAS (formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

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By: MICHEL MATAS

Name: MICHEL MATAS

Address: 26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

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By: MICHEL MATAS

Name: MICHEL MATAS

Address: Rue des Deux Eglises, 26
1000 Bruxelles
Belgium
Copy to: YPSO FRANCE SAS (formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

ALTICE FRANCE EST SAS

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Name: MICHEL MATAS

Address: 4, rue des Mercuriales
67450 Lampertheim
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26/40 rue d'Oradour sur Glane
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Attention: The President

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Name: MICHEL MATAS

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Luxembourg
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Name: MICHEL MATAS

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67450 Lampertheim
France
Copy to: YPSO FRANCE SAS (formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

NUMÉRICÂBLE SAS

By: MICHEL MATAS

Name: MICHEL MATAS

Address: 26/40 rue d'Oradour sur Glane
75015 Paris

Fax: +33 (0)1 55 92 46 95

Attention: The President

MANDATED LEAD ARRANGER

BNP PARIBAS

By: YANNICK JUNG

Name: YANNICK JUNG

Address: 37 Place du Marché Saint Honoré
75001 Paris
France

Attn : Yannick Jung/Martin Douxami

Fax: +33 (0)1 42 98 10 65

Email: Yannick.jung@bnpparibas.com/martin.douxami@bnpparibas.com

MANDATED LEAD ARRANGER

CALYON

By: DAVID MAISANT

Name: DAVID MAISANT

By: VALERIE DOZE

Name: VALERIE DOZE

Address: 9, quai du Président Paul Doumer
92920 Paris La Défense Cedex
France

Attention : David Maisant / Valérie Doze

Fax: + 33 (0)1 41 89 91 91

Email: david.maisant@calyon.com / valerie.doze@calyon.com

MANDATED LEAD ARRANGER

LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH

By: PIERRE KAHN

Name: PIERRE KAHN

Address: 25 Bank Street
London E14 5LE
England

Attn : Loan Operations

Fax: + 44 (0)207 067 9196

Email: loanops@lehman.com

MANDATED LEAD ARRANGER

MORGAN STANLEY BANK INTERNATIONAL LIMITED

By: RAMON WALSH

Name: RAMON WALSH

Address: 25 Cabot Square
Canary Wharf
London E14 4QA
England

Attn: Dorothea Soggard / Matt Ford

Fax: +44 (0) 207 677 3089

Email: Loandocs@morganstanley.com / LPGOPS@morganstanley.com

THE AGENT

BNP PARIBAS

By: YANNICK JUNG

Name: YANNICK JUNG

By: Name:

Address: CHCO 1B1
37 Place du Marché Saint Honoré
75031 Paris Cedex 01
France

Attention : Sergio Collavini / Audrey Saintier

Phone (33 1) 42 98 75 50 / 42 98 69 95

Fax: (33 1) 42 98 43 17

Email: sergio.collavini@bnpparibas.com / audrey.saintier@bnpparibas.com

THE SECURITY AGENT

BNP PARIBAS

By: YANNICK JUNG

Name: YANNICK JUNG

By: Name:

Address: CHCO 1B1
37 Place du Marché Saint Honoré
75031 Paris Cedex 01
France

Attn : Sergio Collavini / Audrey Saintier

Phone (33 1) 42 98 75 50 / 42 98 69 95

Fax: (33 1) 42 98 43 17

Email: sergio.collavini@bnpparibas.com / audrey.saintier@bnpparibas.com

THE LENDERS

BNP PARIBAS

By: YANNICK JUNG

Name: YANNICK JUNG

Address: 37 Place du Marché Saint Honoré
75001 Paris
France

Attn: Yannick Jung/ Audrey Saintier

Fax: +33 (0)1 42 98 10 65

Email: Yannick.jung@bnpparibas.com/ martin.douxami@bnpparibas.com

BNP PARIBAS, LONDON BRANCH

By: YANNICK JUNG

Name: YANNICK JUNG

Address: 10, Harewood Avenue
London NW1 6AA
United Kingdom

Attn: Claire Guglielmi

Fax: 44 (0)207 595 5019

Email: Claire.guglielmi@bnpparibas.com

CRÉDIT AGRICOLE LUXEMBOURG

By: DAVID MAISANT

Name: DAVID MAISANT

By: VALERIE DOZE

Name: VALERIE DOZE

Address: 39, Allée Scheffer
L 2520 Luxembourg

Attn : Arnaud Decrulle

Fax: + 352 4767 4080

Email: arnaud.decrulle@eu.ca-investorservices.com

LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH

By: PIERRE KAHN

Name: PIERRE KAHN

Address: 25 Bank Street
London E14 5LE
England

Attn : Loan Operations

Fax: + 44 (0)207 067 9196

Email: loanops@lehman.com

MORGAN STANLEY BANK INTERNATIONAL LIMITED

By: RAMON WALSH

Name: RAMON WALSH

Address: 25 Cabot Square
Canary Wharf
London E14 4QA
ENGLAND

Attn: Dorothea Soggard / Matt Ford

Fax: +44 (0) 207 677 3089

Email: Loandocs@morganstanley.com / LPGOPS@ morganstanley.com

MORGAN STANLEY SENIOR FUNDING, INC.

By: RAMON WALSH

Name: RAMON WALSH

Address: 1585 Broadway
New York
NY 10036
USA

cc: Morgan Stanley Bank International Limited

Address: 25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Attn: Dorothea Soggard / Matt Ford

Fax: +44 (0) 207 677 3089

Email: Loandocs@morganstanley.com / LPGOPS@morganstanley.com

ANNEX B

INTERCREDITOR AGREEMENT

dated 6 June 2006
(as amended and restated on 18 July 2006, 12 March 2007, 8 September 2011 and amended most recently by a letter dated 25 September 2012 and accepted by the Agent on 12 October 2012)

for

YPSO FRANCE S.A.S.
(FORMERLY KNOWN AS ENO FRANCE S.A.S.)

with

BNP PARIBAS
as Senior Agent

BNP PARIBAS
as Security Agent

and

the Mandated Lead Arrangers and Senior Lenders

Linklaters

Ref: L-192574

CONTENTS

THIS INTERCREDITOR DEED is made on 6 June 2006 (as amended and restated on 18 July 2006, 12 March 2007 and on the Fifth Amendment Agreement Effective Date) between:

(1) YPSO HOLDING SA (formerly known as ENOLUX 1 SàRL), a Luxembourg *société anonyme* incorporated under the laws of Luxembourg with registered office at 8-10 rue Mathias Hardt, L-1717 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under no. B 110.644 and to whose corporate capital is €1,049,500 (the "**Parent**");

(2) YPSO FRANCE SAS (formerly known as ENO FRANCE SAS), a French *société par actions simplifiée* with a share capital of €1,037,000 having its registered office at 23, rue du Roule, 75008 Paris, France, registered with the Commercial Register of Paris under no. 484 348 131 (the "**Company**");

(3) CODITEL BRABANT SPRL, a Belgian *société privée à responsabilité limitée* with a share capital of €600,000, having its registered office at 26, rue des Deux Eglises, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under no. 403 107 452 ("**Coditel Brabant**");

(4) ALTICE FRANCE EST SAS, a French *société par actions simplifiée* with a share capital of €23,274,900 having its registered office at 14, rue des Mercuriales, 67450 Lampertheim, France, registered with the Commercial Register of Strasbourg under no. 443 698 071 ("**AFE**");

(5) CODITEL SàRL, a Luxembourg *société à responsabilité limitée* incorporated under the laws of Luxembourg as a SàRL with registered office at 283, route d'Arlon, L-8011 Strassen, Luxembourg, registered with the Luxembourg Register of Commerce and Companies under no. B 112.067 and whose corporate capital is €1,031,000 ("**Coditel SàRL**");

(6) EST VIDEOCOMMUNICATION SAS, a French *société par actions simplifiée* with a share capital of €122,495,760 having its registered office at 14, rue des Mercuriales, 67450 Lampertheim, France, registered with the Commercial Register of Strasbourg under no. 345 347 397 ("**Est Videocomm**");

(7) NUMÉRICÂBLE SAS, a French *société par actions simplifiée* with a share capital of €16,849,995, having its registered office at 12/16 rue Guynemer, 92445 Issy Les Moulineaux, registered with the Commercial Register of Nanterre under no. 379 229 529 RCS Nanterre ("**Numéricâble SAS**" and, together with the Company, Coditel Brabant, AFE, Coditel SàRL and Est Videocomm, the "**Original Borrowers**" and each an "**Original Borrower**");

(8) BNP PARIBAS, a *société anonyme*, with a share capital of €1.769.400.888, organised and existing under the laws of the French Republic, whose registered office is at 16, boulevard des Italiens, 75009 Paris, registered with the Commercial Register of Paris under no. 662 042 449 RCS Paris (in its capacity as agent for the Senior Lenders under the Senior Facility Agreement (as defined below), the "**Senior Agent**");

(9) BNP PARIBAS, a *société anonyme*, with a share capital of €1.769.400.888, organised and existing under the laws of the French Republic, whose registered office is at 16, boulevard des Italiens, 75009 Paris, registered with the Commercial Register of Paris under no. 662 042 449 RCS Paris (in its capacity as security agent for the Senior Lenders (as defined below) as the "**Security Agent**");

(10) BNP PARIBAS, a *société anonyme*, with a share capital of €1.769.400.888, organised and existing under the laws of the French Republic, whose registered office is at 16, boulevard des Italiens, 75009 Paris, registered with the Commercial Register of Paris under no. 662 042 449 RCS Paris, CALYON, a *société anonyme*, with a share capital of €3.119.771.484, organised and existing under the laws of the French Republic, whose registered office is at 9 Quai President Paul Doumer, 92400 Courbevoie, registered with the Commercial Register of Nanterre under no. 304 187 701 RCS Nanterre, LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH, a German corporation whose London Branch is at 25 Bank Street, London E14 5LE and which is registered as a branch with the Companies Registry under no. FC02350 and MORGAN STANLEY BANK

INTERNATIONAL LIMITED, a limited liability company incorporated under the laws of England and Wales with its registered office at 25 Cabot Square, Canary Wharf, London E14 4QA, England, registered under no. 03722571 with Companies Registry, (each a "**Mandated Lead Arranger**" and together, the "**Mandated Lead Arrangers**"); and

(11) **THE SENIOR LENDERS** (as defined below).

WHEREAS:

The parties have agreed to enter into this Agreement as a deed in order to regulate and subordinate certain rights of the Creditors in respect of Liabilities owed to each of them.

IT IS AGREED as follows:

SECTION 1

INTERPRETATION

1. INTERPRETATION

1.1 Terms Defined

Terms defined in the Senior Facility Agreement shall have the same meaning when used in this Agreement unless otherwise defined herein.

1.2 Definitions

In this Agreement the following terms have the meanings given to them in this Clause.

"**Additional Liability**" means in relation to a Liability, any liability which arises or is incurred as a result of or in connection with:

(a) any deferral, extension, or refinancing of such Liability;

(b) any claim for damages, restitution or otherwise made in connection with such Liability;

(c) any claim against an Obligor resulting from a recovery by such Obligor or any other person of a payment or discharge in respect of such Liability on the grounds of preference or otherwise; or

(d) any amount (such as post-insolvency interest) which would be included in any of the foregoing but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

"**Altice Services Agreement**" means the services agreement dated on or about the date hereof between the Parent and Altice Services.

"**Altice Services Agreement Fixed Fees**" means the fixed portion of the management fees to be paid monthly to Altice Services under the Altice Services Agreement.

"**Altice Services Agreement Success Fees**" means the variable portion of the management fees to be paid to Altice Services under the Altice Services Agreement on an on-going basis.

"**Ancillary Lender**" means each Senior Lender (or Affiliate of a Senior Lender) which makes an Ancillary Facility available pursuant to the terms of the Senior Facility Agreement.

"**Charged Property**" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Security created pursuant to the Security Documents.

"**Creditors**" means the Secured Creditors, the Subordinated Creditors and any Services Provider.

"**Deed of Accession**" means a Deed of Accession substantially in the form set out in Schedule 2 (*Deed of Accession*) or in such other form as the Senior Agent and the Company shall agree.

"**Default**" means a Senior Default.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"**Early Termination Date**" means an "Early Termination Date" as defined in a Hedging Document resulting from a Termination Event or (when an Obligor is the Defaulting Party) an Event of Default (each as defined in the relevant Hedging Document).

"**Enforcement Action**" means:

(a) the acceleration of any Liabilities or any declaration that any Liabilities are prematurely due and payable or payable on demand or the designation by a Hedge Counterparty of an Early Termination Date under any Hedging Document or the making of a demand for payment of all or any amount which would become payable following an Early Termination Date;

(b) the making of any demand against any member of the Group in relation to any guarantee, indemnity or other assurance against loss in respect of any Liabilities or exercising any right to require any member of the Group to acquire any Liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any Liability);

(c) the exercise of any right of set-off against any member of the Group in respect of any Liabilities due and payable but unpaid (it being acknowledged that the exercise of set-off rights (i) by an Ancillary Lender in the ordinary course of operating any Ancillary Facility does not constitute Enforcement Action, and (ii) by a Hedge Counterparty prior to the occurrence of a Default in respect of scheduled payments arising under the original terms of the Hedging Documents does not constitute Enforcement Action prohibited under Clause 8.2 (*Hedge Counterparties: permitted enforcement*));

(d) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Liabilities;

(e) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding up, bankruptcy, dissolution, administration or reorganisation of any Obligor or any Material Subsidiary (other than pursuant to a Permitted Restructuring) or any suspension of payments or moratorium of any indebtedness of Obligor or any Material Subsidiary (as defined in the Senior Facility Agreement), or any analogous procedure or step in any jurisdiction; or

(f) the taking of any steps (which the party taking those steps is entitled to take) to enforce or require the enforcement of any Security Document (including the crystallisation of any floating charging forming part of the Security purported to be created by the Security Documents),

provided that the following shall not constitute Enforcement Action:

(i) the taking of any action falling within paragraph (d) above necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority; or

(ii) to the extent entitled by law, the taking of any actions against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation,

provided further that none of the actions listed above in paragraphs (i) to (ii) above shall result in an Insolvency Event.

"**Enforcement Request**" means a request to the Senior Agent to instruct the Security Agent to enforce the Security Documents.

"**Fees**" means any fees payable to any of the Secured Creditors by any Obligor under or pursuant to any one or more of the Finance Documents.

"**Finance Documents**" means the Senior Finance Documents and the Hedging Documents.

"**Finance Parties**" means the Senior Creditors.

"**First Ranking Security**" means all Security granted by any Obligor under the Security Documents, other than the Second Ranking Security.

"**Guarantee Limitation Provisions**" means the provisions set out in Clause 24.11 (*Guarantee Limitation*) of the Senior Facility Agreement.

"**Hedge Obligor**" means an Obligor which, with the consent of the Senior Agent, becomes a party to a Hedging Document, and accedes to this Agreement in accordance with the provisions of Clause 20 (*Changes to the Parties*).

"**Hedging Documents**" means each Hedging Agreement entered into pursuant to Clause 20.7 (*Hedging Arrangements*) of the Senior Facility Agreement.

"**Hedging Exposure**" means the aggregate Settlement Amounts or Close-out Amounts (as appropriate) and Unpaid Amounts, if any, which would be payable to a Hedge Counterparty under any Hedging Document if the date on which the calculation is made was deemed to be an Early Termination Date for which the relevant Hedge Obligor is the Defaulting Party (and for this purpose "**Settlement Amount**", "**Close-Out Amount**", "**Unpaid Amount**" and "**Defaulting Party**" shall have the meanings given to them in the relevant Hedging Document), such amount to be certified by the relevant Hedge Counterparty in reasonable detail (including the quotations obtained in connection therewith).

"**Hedging Liabilities**" means all present and future liabilities (whether actual or contingent) and whether owed jointly or severally or in any other capacity whatsoever of the Obligors (or any one or more of them) to any Hedge Counterparty under or in connection with the Hedging Documents together with any related Additional Liabilities owed to any Hedge Counterparty and together also with all costs, charges and expenses incurred by the Hedge Counterparty in connection with the protection, preservation or enforcement of its rights under the Hedging Documents.

"**Insolvency Event**" means, on or before the Senior Discharge Date, any of the events listed in Clauses 22.7 (*Insolvency*), Clause 22.8 (*Winding Up*) and Clause 22.10 (*Similar Events Elsewhere*) of the Senior Facility Agreement.

"**Instructing Group**" has the meaning given to it in the Senior Facility Agreement.

"**Intergroup Creditors**" means any member of the Group which is a creditor in relation to monies owed to another member of the Group under an Intergroup Document and which shall become a party to this Agreement as a New Obligor in accordance with the terms of Clause 20.3 (*Further Subsidiaries as Parties*).

"**Intergroup Debtors**" means any member of the Group which is a debtor in relation to monies owed to another member of the Group under an Intergroup Document and which shall become a party to this Agreement as a New Obligor in accordance with the terms of Clause 20.3 (*Further Subsidiaries as Parties*).

"**Intergroup Documents**" means any and all agreements and other instruments under or by which any Intergroup Liabilities are or may be outstanding, evidenced, secured or guaranteed in each case as (and including any instrument pursuant to which the same is) varied, supplemented or amended from time to time.

"**Intergroup Liabilities**" means all present and future liabilities, obligations or amounts (whether actual or contingent) owing, due, payable, guaranteed or secured by any Intergroup Debtor to any Intergroup Creditor under or in connection with any Intergroup Documents, together with any related Additional Liabilities owed to any Intergroup Creditor and together also with all costs, charges and expenses incurred by each of the Intergroup Creditors in connection with the protection, preservation or enforcement of its rights in respect of such Liabilities.

"**Investor Creditors**" means any Equity Sponsor and any Affiliate of an Equity Sponsor (other than the Parent, any member of the Group, any C (Additional Senior Financing) Facility Lender or any Senior Subordinated Issuer), and each Services Provider.

"**Liabilities**" means any one or more of the Senior Liabilities and the Subordinated Liabilities and "**Liability**" means any of them.

"**Majority Senior Creditors**" means, at any time, a Senior Creditor or Senior Creditors whose Senior Credit Participations at that time amount to more than 66.66 per cent. of all Senior Credit Participations of the Senior Creditors at that time.

"**New Obligor**" has the meaning given to it in Clause 20.3 (*Further Subsidiaries as Parties*).

"**Obligor**" means the Original Borrowers, the Original Guarantors, the Intergroup Creditors, the Intergroup Debtors and any New Obligor.

"**Permitted Payments**" means, in relation to the Subordinated Liabilities, the payments as permitted by Clause 6.2 (*Permitted Payments to Subordinated Creditors/Investor Creditors*).

"**Permitted Senior Subordinated Note Payment**" has the meaning given to it in any Senior Subordinated Notes Intercreditor Deed.

"**Prohibited Actions**" means, in relation to a Liability:

(a) the payment, repayment or purchase of such Liability or any part thereof;

(b) the discharge by way of set-off, combination of accounts or other similar action with respect to such Liability or any part thereof unless effected pursuant to any mandatory requirement of applicable Law;

(c) the creation or failure (upon request) to remove or extinguish any Encumbrance over any or all of the assets or revenues of the person by whom such Liability is owed;

(d) the giving of any guarantee or other assurance against financial loss in respect of such Liability;

(e) the amendment, variation, waiver or release of any term of any agreement under which or whereby such Liability is outstanding, evidenced, secured or guaranteed;

(f) any action whereby the priority as to payment of such Liability under this Agreement is altered or any failure to take any action which would prevent any such alteration; or

(g) any action to recover sums from any Report Provider arising out of the issue of, or in relation to, any of the Reports or any omission therefrom.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Report Provider**" means the author or issuer of, or signatory to, a Report.

"**Second Ranking Security**" means all security which is expressed to be second ranking (or any other lower ranking) and which is granted by any Obligor under the Security Documents over the assets subject to First Ranking Security.

"**Secured Creditors**" means the Senior Creditors, any Receiver or Delegate and, in the case of the Senior Creditors only, if it was not an original party to this Agreement, it has entered into a Transfer Certificate or a Deed of Accession in accordance with Clause 20.5 (*New Creditors*) or Clause 20.8 (*Accession of Additional Revolving Facility Lenders, Ancillary Lenders and C (Additional Senior Financing) Facility Lenders*).

"**Security Documents**" means the "Security Documents" as defined in the Senior Facility Agreement.

"**Security Enforcement Action**" means any Enforcement Action under paragraph (f) of the definition of "Enforcement Action".

"**Senior Arrangers**" means the Mandated Lead Arrangers and any other financial or other institution that has become a party to the Senior Facility Agreement pursuant to Clause 25.4 (*Role of the Arrangers*) thereof.

"**Senior Creditors**" means:

(a) the Senior Lenders;

(b) the Senior Arrangers;

(c) the C Facility Mandated Lead Arranger;

(d) the Senior Agent;

(e) the Security Agent; and

(f) the Hedge Counterparties,

and "**Senior Creditor**" means any of them.

"**Senior Credit Participation**" means, in relation to a Senior Creditor, the aggregate of:

(a) its Additional Revolving Facility Commitment (if any);

(b) its A Facility Commitment (if any);

(c) its B Facility Commitment (if any);

(d) its C Facility Commitment (if any);

(e) its Capital Investment Facility Commitment (if any); and

(f) its Hedging Exposure (if any).

"**Senior Default**" means any "Event of Default" as defined in the Senior Facility Agreement.

"**Senior Discharge Date**" means the first date on which:

(a) none of the Senior Creditors is under any commitment, obligation or liability (whether actual or contingent) to make advances or provide other financial accommodation to any Obligor under any of the Senior Finance Documents; and

(b) all the Senior Liabilities have been unconditionally and irrevocably paid and discharged in full, provided that for these purposes, regard shall not be had to any unclaimed indemnities, tax-gross ups or other similar amounts.

"**Senior Facility Agreement**" means the senior facility agreement dated on or about the date hereof between, inter alia, the Parent, the Company, the Senior Arrangers, the Senior Agent, the Security Agent and the Senior Lenders as amended and restated on the Fifth Amendment Agreement Effective Date.

"**Senior Finance Documents**" means the "Finance Documents" as defined in the Senior Facility Agreement.

"**Senior Lenders**" means:

(a) a bank or financial institution or other person named in Schedule 1 (*Senior Lenders*) (unless it has ceased to be a party hereto in accordance with the terms hereof);

(b) a bank or financial institution or other person which has become (and remains) a party hereto as a Senior Lender in accordance with the provisions of Clause 20.5 (*New Creditors*) or Clause 20.8 (*Accession of Additional Revolving Facility Lenders, Ancillary Lenders and C (Additional Senior Financing) Facility Lenders*) hereof and a party to the Senior Facility Agreement as a "Lender" or "Ancillary Lender", as the case may be.

"**Senior Liabilities**" means all present and future liabilities (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Obligors (or any one or more of them) to the Senior Creditors (or any one or more of them) under or in connection with the Senior Finance Documents together with any related Additional Liabilities owed to the Senior Creditors and together also with all costs, charges and expenses incurred by each of the Senior Creditors in connection with the protection, preservation or enforcement of its rights under the Senior Finance Documents.

"**Senior Payment Default**" means failure by an Obligor to pay on its due date (not taking account of any applicable grace period) under any of the Senior Finance Documents:

(a) any principal, interest, fees, commissions or similar amount; or

(b) any other amount which, when aggregated with all other unpaid amounts falling within this paragraph (b), exceeds €100,000.

"**Services Provider**" means Altice Services LLP, a limited liability partnership formed under the laws of England with Companies House registration number OC 314408 and whose registered office is at Rotherwick House, 3 Thomas More Street, London E1W 2YX and any other entity which provides management services to the Group and which accedes to this Agreement.

"**Services Provider Liabilities**" means all present and future moneys, debts and liabilities due, owing or incurred by any member of the Group to a Services Provider under or in connection with any services agreement or management agreement, alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise), together with any related Additional Liabilities.

"**Shareholder Debt Documents**" means the articles of association or other constitutional documents of the Company and any other agreement or instrument under or pursuant to which any sum is or becomes or is capable of becoming due, owing or incurred from or by any member of the Group to the Parent (and not as an officer or employee or otherwise), including any document evidencing a Private Equity Contribution but excluding, for so long as any Senior Subordinated Notes are outstanding, any Subordinated Company Loan Agreement (as defined in any Senior Subordinated Notes Intercreditor Deed).

"**Shareholder Liabilities**" means all present and future moneys, debts and liabilities due, owing or incurred by any member of the Group to the Parent under or in connection with any Shareholder Debt Document, including any dividends and any advisory, monitoring or management fee (in each case,

whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise), together with any related Additional Liabilities, but excluding, for so long as any Senior Subordinated Notes are outstanding, any such moneys, debts and liabilities due, owing or incurred under any Subordinated Company Loan Agreement (as defined in any Senior Subordinated Notes Intercreditor Deed).

"**Subordinated Creditors**" means the Parent and the Intergroup Creditors.

"**Subordinated Debt Agreements**" means the Shareholder Debt Documents, the Intergroup Documents and any other agreement or instrument evidencing Shareholder Liabilities (and identified as such).

"**Subordinated Liabilities**" means the Shareholder Liabilities and the Intergroup Liabilities.

1.3 References

(a) Any reference in this Agreement to (or to any provisions of or definition contained in) any other document shall be construed as a reference to that provision, definition or document as in force for the time being and as amended from time to time but only to the extent that any such amendment has been made in accordance with the terms of this Agreement.

(b) Any reference in this Agreement to any party to this Agreement shall be construed so as to include such party's and any subsequent successors' transferees and assigns in accordance with their respective interests.

(c) Any reference in this Agreement to the singular shall include the plural and vice versa.

1.4 Construction

Any reference in this Agreement to:

(a) "**tax**" shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

(b) a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing; and

(c) the "**winding-up**", "**dissolution**" or "**administration**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection from creditors or relief of debtors.

2. PRIORITIES AND SUBORDINATION

2.1 Priorities and Subordination

Each of the parties to this Agreement hereby agrees and acknowledges that, save as expressly provided to the contrary in this Agreement, the following order of priorities shall apply to the Liabilities referred to below which shall be paid and discharged in the following order:

(a) first, the Senior Liabilities *pari passu* without any priority between themselves; and

(b) second, the Subordinated Liabilities and the Services Provider Liabilities *pari passu* without any priority amongst themselves,

and that as between the parties to this Agreement such order of priorities shall prevail irrespective of whether or not an Insolvency Event shall have occurred, so that before and after the occurrence of an Insolvency Event, but save as expressly provided to the contrary in this Agreement, a Liability which ranks after other Liabilities in the foregoing order of priorities shall be subordinate in right of payment to those other Liabilities.

2.2 Priorities not affected

The order of priorities set out in Clauses 2.1 (*Priorities and Subordination*) shall apply irrespective of (a) the date on which this Agreement or any of the Finance Documents was executed, registered or notice thereof was given to any person, (b) unless otherwise provided in this Agreement, any reduction or increase in any of the Liabilities or any amendment, variation or satisfaction of any of the Liabilities and (c) the date upon which any of the Liabilities arise or of any fluctuations in the amount of any of the Liabilities outstanding.

2.3 Liabilities not affected

Each of the parties to this Agreement hereby agrees and acknowledges that:

(a) notwithstanding any term of this Agreement postponing, subordinating or prohibiting the payment of any of the Subordinated Liabilities, each Subordinated Liability shall, as between the Obligor by whom it is owed and the Creditor to whom it is owed, remain owing in accordance with the terms of the relevant Subordinated Debt Agreement and interest and default interest will accrue accordingly; and

(b) no delay in exercising any rights or remedies under any of the Subordinated Debt Agreements by reason of any term of this Agreement postponing, restricting or prohibiting such exercise shall operate as a waiver of any of those rights and remedies.

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4. HEDGING LIABILITIES

4.1 Prohibited Action

Until the Senior Discharge Date, except as an Instructing Group shall previously have consented in writing, no Obligor will take, nor permit any member of the Group to take, any Prohibited Action in relation to any Hedging Liability and no Hedge Counterparty will take any Enforcement Action or take or agree to take the benefit of any Prohibited Action in relation to any Hedging Liability, in each case except:

(a) to the extent contemplated by Clause 6 (*Permitted Payments*);

(b) in respect of the proceeds of enforcement of the Security Documents distributed by the Security Agent pursuant to and in accordance with Clause 12.1 (*Application of Proceeds*);

(c) in respect of scheduled payments arising under the terms of the relevant Hedging Document (disregarding for this purpose any amendments made after the date of this Agreement other than those permitted under this Agreement);

(d) in respect of amendments of an immaterial or technical nature or which correct a manifest error;

(e) in respect of an amendment to a Hedging Document which the Hedge Counterparty concerned, acting reasonably and in good faith, certifies to the Senior Agent that it considers such amendment (i) does not impose restrictions or obligations or conditions on the Hedge Obligor which are more onerous than those originally provided for in the Hedging

Documents, (ii) does not result in any payment under the Hedging Documents being required to be made by the Hedge Obligor on a date other than originally provided for in the Hedging Documents, (iii) does not result in the Hedge Obligor becoming liable to make an additional payment (or increase an existing payment) under any of the Hedging Documents which does not arise from the original provisions of the Hedging Documents and (iv) does not cause the Hedging Documents to cease to comply with any other provisions of this Clause 4 or is prejudicial to the interests of the Senior Lenders under the Senior Finance Documents;

(f) by way of the exercise of any right to terminate or close out or reduce the notional amount of any hedging transaction under the Hedging Documents in accordance with Clause 7.3(a) (*Hedge Counterparties: required enforcement*).

Notwithstanding this Clause 4.1 (*Prohibited Action*):

(i) if any amount of the floating rate Term Advances are repaid, paid or otherwise discharged each Hedge Counterparty shall terminate or close out an equal proportion of its Hedging Liabilities under any interest rate Hedging Agreements as will result in the aggregate amount of the floating rate Term Facility Outstandings and floating rate Subordinated Company Loans which are the subject of interest rate Hedging Agreements not exceeding 66⅔ per cent. of the aggregate amount of the floating rate Term Facility Outstandings and floating rate Subordinated Company Loans; and

(ii) if any amount of the C (Additional Senior Financing) Facility Advances which are denominated in US Dollars are prepaid or otherwise discharged (other than to the extent prepaid or discharged from proceeds of another C (Additional Senior Financing) Facility Advance or Subordinated Company Loan, in each case denominated in US Dollars), each Hedge Counterparty shall terminate or close out an equal proportion of its Hedging Liabilities under any foreign exchange Hedging Agreements as will result in the aggregate amount of the C (Additional Senior Financing) Facility Advances which are the subject of foreign exchange Hedging Agreements not exceeding 100% of the aggregate amount of the C (Additional Senior Financing) Facility Advances that are denominated in US Dollars,

in each case provided that no Senior Default is continuing at the time of such termination or close out.

4.2 Security

The Hedge Counterparties may take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Hedging Liabilities in addition to the Security Documents if, and to the extent legally possible, at the same time such Security, guarantee, indemnity or other assurance is also offered to the Security Agent on behalf of the other Secured Creditors in respect of, and ranking in the same order of priority as, their respective Liabilities if the prior consent of an Instructing Group is obtained.

4.3 Matters relating to the Hedging Arrangements

Each Hedge Obligor and each Hedge Counterparty agrees that (save as an Instructing Group shall previously have consented in writing):

(a) any Hedging Document:

(i) will provide for "two way payments" or payments under the "second method" in the event of a termination of any transaction entered into under that Hedging Document; and

(ii) will include a Senior Default as an Event of Default (as defined therein);

(b) following an Event of Default (as defined therein) if, upon termination of any transaction entered into under a Hedging Document, a settlement amount or other amount falls due from the relevant Hedge Counterparty to the relevant Hedge Obligor, then if any Security Enforcement Action has been taken that amount shall be paid to the Security Agent and treated as if it were the proceeds of enforcement of the security conferred by the Security Documents and applied in accordance with Clause 12.1 (*Application of Proceeds*).

4.4 Provision of Hedging Documents

Each Hedge Counterparty agrees to provide the Security Agent with copies of Hedging Documents as soon as reasonably practicable.

5. SUBORDINATED LIABILITIES

5.1 Prohibited Action

Until the Senior Discharge Date, except as the Majority Senior Creditors shall previously have consented in writing, no debtor under a Subordinated Liability will take, nor permit any member of the Group to take, any Prohibited Action in relation to any Subordinated Liability and no Subordinated Creditor will take any Enforcement Action or take or agree to take the benefit of any Prohibited Action in each case in relation to any Subordinated Liability, in each case except:

(a) to the extent any amendment, variation, waiver or release is permitted under Clause 21.17 (*Variation of Documents*) of the Senior Facility Agreement;

(b) to the extent contemplated in Clause 6 (*Permitted Payments*);

(c) with regard to the receipt of monies distributed by the Security Agent pursuant to and in accordance with Clause 12.1 (*Application of Proceeds*); or

(d) to the extent permitted pursuant to Clauses 8.4 (*Intergroup Creditors: permitted enforcement*), 8.5 (*Subordinated Creditors/Service Providers: permitted enforcement*) and 9.2 (*Subordinated Creditors/Service Providers*).

5.2 Terms of Subordinated Liabilities

Each Subordinated Creditor shall ensure that the terms of any loan made to any Obligor by that Subordinated Creditor shall comply with the provisions of the Finance Documents.

5.3 Private Equity Contributions

Notwithstanding any other term of this Agreement, nothing shall in any way restrict or prohibit Private Equity Contributions, the proceeds of which are invested in, or downstreamed to, the Borrowers and their Subsidiaries as permitted under the Senior Facility Agreement.

5.4 Representations

(a) Each Subordinated Creditor and each Services Provider represents and warrants to the Secured Creditors that:

(i) it is a corporation (other than Altice Services LLP, an English limited liability partnership), duly incorporated or formed and validly existing under the laws of its jurisdiction of incorporation or formation;

(ii) the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and, subject to the Reservations, enforceable obligations;

(iii) the entry into and performance by it of this Agreement does not and will not conflict with any law or regulation applicable to it or its constitutional documents; and

(iv) it has not taken any corporate action nor have any other steps been taken by it or any third party or legal proceedings been started or (to the best of its knowledge and belief) threatened against it, for (i) its winding-up, dissolution, administration or other similar proceedings (including any *procédure collective*, *procédure de sauvegarde*, *procédure de redressement* (including by way of *plan de cession* or *plan de continuation*) or *procédure de sauvegarde* or *liquidation judiciaire*), *faillite* or *concordat judiciaire* or (ii) a suspension of payment (including a *cessation des paiements*) or moratorium (*sursis de paiement*) of any Indebtedness with all of its creditors generally or a *procédure de réglement amiable* or (iii) the appointment of a receiver, administrator, administrative receiver, conservator, custodian, trustee, *mandataire ad hoc*, *conciliateur*, *administrateur judiciaire*, *liquidateur, curateur de faillite, commissaire au sursis* or similar officer of it or of any or all of its assets or revenues.

(b) The representations and warranties in Clause 5.4(a) above shall be made on the date hereof and, in respect of any person becoming or required to become a party to this Agreement, on the day the same becomes (or if earlier, is required to have become) a party to this Agreement (by reference to the facts and circumstances existing on such date).

5.5 Prohibited Actions in relation to Investor Creditors

Until the Senior Discharge Date, except as the Majority Senior Creditors shall have previously consented in writing, no Obligor will take, and will procure that no member of the Group will take, any Prohibited Action in relation to amounts owing to any Investor Creditor (including under the Altice Services Agreement) or pay any amounts to any Investor Creditor, and no Services Provider will take any Enforcement Action or take or agree to take the benefit of any Prohibited Action in each case in relation to any Services Provider Liability, in each case except:

(a) to the extent contemplated in Clause 6 (*Permitted Payments*); and

(b) to the extent any amendment, variation, waiver or release is permitted under Clause 21.17 (*Variation of Documents*) of the Senior Facility Agreement.

6. PERMITTED PAYMENTS

6.1 Permitted Payments to Senior Creditors

The Obligors may make payments to the Senior Creditors from time to time in respect of the Senior Liabilities (in accordance with the Senior Facility Agreement, any Ancillary Facility Document and the Hedging Documents) then due provided that, in respect of the Hedging Liabilities, at the time of the payment no scheduled payments due from that Hedge Counterparty to any Obligor under the Hedging Documents to which they are both party are due and unpaid.

6.2 Permitted Payments to Subordinated Creditors/Investor Creditors

(a) In respect of Subordinated Creditors, subject to Clause 6.3 (*Suspension of Permitted Payments to Subordinated Creditors/Investor Creditors*) and Clause 7.1 (*Turnover by Creditors*):

(i) an Intergroup Creditor may receive (and the relevant Intergroup Debtor may effect) payment or set-off of an Intergroup Liability so long as, prior to the Senior Discharge Date, (i) no Default has occurred and is continuing or would result from such payment or receipt and (ii) the relevant Intergroup Liability was incurred as permitted under the Senior Facility Agreement and payment of such Intergroup Liability is also permitted under said agreement;

(ii) any Obligor may make a payment to the Parent (or so as to fund payments so permitted), if so permitted by Clauses 21.2(b) (*Disposals*) (in respect of Administrative Obligations only), 21.3(b) (*Intra-Group Transactions*), 21.18 (*Payments to Members and Employees*) and 21.22 (*Restriction on Payments)* of the Senior Facility Agreement (provided, for the avoidance of doubt, that (except, while any Senior Subordinated Notes are outstanding, for Permitted Senior Subordinated Note Payments, which shall be permitted under this Agreement if they are permitted under the relevant Senior Subordinated Notes Intercreditor Deed) no payment shall be authorised pursuant to Clause 21.22 (*Restriction on Payments*) of the Senior Facility Agreement in the event where prior to such payment any Default has occurred and is continuing or would occur as a result of such payment);

(iii) subject to no Default having occurred and being continuing, the relevant Obligor(s) may make payment to the Parent of investors fees payable by the Parent to the Equity Sponsors on any Permitted Acquisition or any disposal of a member of the Group permitted under the Senior Facility Agreement in a maximum amount of 1 per cent. of the enterprise value of the target or the company disposed of; and

(iv) the relevant Obligor(s) may make payments to a Subordinated Creditor by way of distributions subject to and in accordance with the Tax Structure Report.

Nothing in this Clause 6.2 shall prevent an Obligor from amending, varying, waiving or releasing any term of any agreement under which or whereby a Subordinated Liability is outstanding or evidenced if so permitted by Clause 21.17 (*Variation of Documents*) of the Senior Facility Agreement.

Notwithstanding any provision to the contrary in this Clause 6.2, while any Senior Subordinated Notes are outstanding, payments to the Parent constituting Permitted Senior Subordinated Note Payments may only be made to the extent permitted by any relevant Senior Subordinated Notes Intercreditor Deed.

(b) In respect of Investor Creditors, subject to Clause 6.3 (*Suspension of Permitted Payments to Subordinated Creditors/Investor Creditors*) and Clause 7.1 (*Turnover by Creditors*):

(i) the relevant Obligor(s) may make payments to the Services Provider of (i) the Altice Services Agreement Fixed Fees and (ii) subject to no Event of Default having occurred and being continuing or which would result from such payment, the Altice Services Agreement Success Fees;

(ii) the Parent and/or the Company may make payment of costs and expenses of the Equity Sponsors on the Acquisition Closing Date of up to € 6,000,000 in aggregate;

(iii) payment by the Parent and/or the Company of monitoring fees and non-executive directors' fees to the Equity Sponsors in an amount per annum not exceeding the amount payable in respect of Administrative Obligations for that year;

(iv) subject to no Default having occurred and being continuing, the Parent may make payment of investors fees payable by it to the Equity Sponsors on any Permitted Acquisition or any disposal of a member of the Group which is permitted under the Senior Facility Agreement in a maximum amount of 1 per cent. of the enterprise value of the target or the company disposed of; and

(v) the Parent may make payments to the Equity Sponsors by way of distributions subject to and in accordance with the Tax Structure Report and in accordance with Clause 21.22 (*Restriction on Payments*) of the Senior Facility Agreement.

6.3 Suspension of Permitted Payments to Subordinated Creditors/Investor Creditors

Subject to Clause 7 (*Turnover*), except with the prior consent in writing of the Majority Senior Creditors, no Obligor may (and shall procure that none of its Subsidiaries will) on any date make any payments which would otherwise be permitted by Clause 6.2 (*Permitted Payments to Subordinated Creditors/Investor Creditors*) if:

(a) a Senior Payment Default has occurred and is continuing;

(b) following the occurrence of a Default, the Senior Agent (acting on the instructions of the Majority Senior Creditors) serves a written notice (a "**Subordinated Block Notice**") on the Parent and the Subordinated Creditors substantially in the form set out in Schedule 3 (*Form of Subordinated Block Notice*), until the earliest date on which:

(i) paragraph (a) above does not apply; and

(ii) one of the following applies:

(A) the Senior Agent (acting on the instructions of the Majority Senior Creditors) has confirmed in writing to the Parent and the Subordinated Creditors that the relevant Default has been cured or waived by the Majority Senior Creditors in writing or has ceased to exist;

(B) the Senior Agent (acting on the instructions of the Majority Senior Creditors) by notice in writing to the Company and the Subordinated Creditors cancels the Subordinated Block Notice; or

(C) the Senior Discharge Date occurs,

provided that, notwithstanding the occurrence of any event mentioned in (a) or (b) above, the Obligors may continue to (i) pay to the Parent or any Investor Creditor the amounts permitted under Clause 6.2(b)(iii) and the Altice Services Agreement Fixed Fees and (ii) while any Senior Subordinated Notes are outstanding and provided they are permitted to do so pursuant to any Senior Subordinated Notes Intercreditor Deed, make Permitted Senior Subordinated Note Payments, and provided further that any payment which pursuant to Clause 6.2 (*Permitted Payments to Subordinated Creditors/Investor Creditors*) is prohibited when a Default has occurred shall be prohibited for so long as it is continuing.

6.4 Declared Senior Default

Notwithstanding the terms of the Finance Documents, at any time on or before the Senior Discharge Date, it is agreed that after the service of a notice under Clause 22.18(a) (*Acceleration*) of the Senior Facility Agreement following the occurrence of a Senior Default, no payments shall be permitted under Clause 6.2 (*Permitted Payments to Subordinated Creditors/Investor Creditors*) or Clause 6.3 (*Suspension of Permitted Payments to Subordinated Creditors/Investor Creditors*) and:

(a) all amounts payable under the Finance Documents and the Subordinated Debt Agreements;

(b) all proceeds of enforcement of the Security Documents; and

(c) any payment or distribution of any kind or character, whether in cash, securities or other property which is payable or deliverable under or with respect to the Senior Liabilities or the Subordinated Liabilities or any part thereof by any Obligor or its estate or any liquidator, receiver or like officer consequent upon its winding-up,

shall forthwith be paid or delivered direct to the Security Agent provided that this clause is subject to any Senior Subordinated Notes Intercreditor Deed(s) and any Permitted Senior Subordinated Note Payments which are permitted to be made thereunder shall not be prohibited by this Clause (or be required to be paid or delivered to the Security Agent).

6.5 Payment obligations continue

For the avoidance of doubt, it is agreed that:

(a) the obligation to make any payment on its due date under the Senior Finance Documents or the Subordinated Debt Agreements (as the context requires) which is not permitted to be paid under Clause 6.3 (*Suspension of Permitted Payments to Subordinated Creditors/Investor Creditors*) shall continue notwithstanding such payment suspension;

(b) default interest shall accrue in accordance with Clause 23.3 (*Maturity of Default Interest*) of the Senior Facility Agreement; and

(c) Clause 6.3 (*Suspension of Permitted Payments to Subordinated Creditors/Investor Creditors*) acts as a suspension of payment and not as a waiver of the right to receive such payment when the suspension period has lapsed.

7. TURNOVER

7.1 Turnover by Creditors

Subject to Clause 7.2 (*Permitted assurance and receipts*) if at any time prior to the discharge in full of the Senior Liabilities, any Creditor receives or recovers:

(a) any payment or distribution of any kind whatsoever of, or on account of or in relation to, any of the Liabilities which is not permitted by either Clause 6 (*Permitted Payments*) or Clause 12.1 (*Application of Proceeds*);

(b) any amount by way of set-off in respect of any of the Liabilities owed to them which does not give effect to a payment permitted by Clause 6 (*Permitted Payments*);

(c) the proceeds of any enforcement of any Security Document or otherwise any receipt or recovery of proceeds pursuant to any Enforcement Action except in accordance with Clause 12.1 (*Application of Proceeds*);

(d) any distribution in cash or in kind made as a result of the occurrence of an Insolvency Event in respect of any Obligor; or

(e) any amount from a Report Provider (in its capacity as such) by reason of any matter arising out of or relating to the issue of a Report or the omission of any matter therefore which is required to be applied in prepayment pursuant to Clause 8.2 (*Mandatory prepayment from Receipts*) of the Senior Facility Agreement,

that Creditor (subject to the Guarantee Limitation Provisions in the case of any Obligor) will:

(a) if the concept of a trust is recognised, hold that amount on trust for the Security Agent and promptly pay (subject to the Guarantee Limitation Provisions in the case of any Obligor) that amount (after deducting from the amount received or recovered the costs, liabilities and expenses (if any) incurred by the relevant Creditor in recovering such amounts) to the Security Agent or, if this trust cannot be given effect to, or if in respect of any Creditor this trust has the effect of creating a proprietary or security interest over that amount registrable under the Companies Act 2006, that Creditor shall pay an amount equal to that receipt or recovery to the Security Agent, in each case to be held on trust by the Security Agent for application in accordance with the terms of this Agreement; or

(b) if the concept of the trust is not recognised, forthwith pay (subject to the Guarantee Limitation Provisions in the case of any Obligor), after deducting from the amount received or recovered, the costs, liabilities and expenses (if any) incurred by the relevant Creditor in recovering such amounts, all such amounts to the Security Agent which will be held by the

Security Agent for application in accordance with the terms of this Agreement (and pending such payment to the Security Agent, the receiving Creditor will hold the amount received for and to the order of the Creditors for application in accordance with this Agreement) for the benefit of itself and the other Creditors for the purposes of this Agreement).

7.2 Permitted assurance and receipts

Nothing in this Agreement shall restrict the ability of any Creditor to:

(a) arrange with any person (other than a member of the Group) any assurance against loss in respect of, or reduction of its credit exposure to, an Obligor (including assurance by way of credit based derivative or sub-participation); or

(b) to receive or recover any sum in respect of its Liabilities as a result of any assignment or transfer permitted by Clause 20 (*Changes to the Parties*),

and that Creditor shall not be obliged to account to any other party to this Agreement for any sum received by it as a result of that action.

7.3 Turnover by Obligors

If any of the Obligors, any Services Provider or Subordinated Creditor receives or recovers any sum which, under the terms of any of the Finance Documents, was required to have been paid to the Security Agent pursuant to the Finance Documents, that sum:

(a) if the concept of the trust is recognised, shall be held in a separate account on trust for the Security Agent or, if this trust cannot be given effect to or this trust has the effect of creating a proprietary or security interest over that amount registrable under the Companies Act 2006, that Obligor or Subordinated Creditor shall pay an amount equal to that receipt or recovery to the Security Agent, in each case to be held on trust by the Security Agent for application in accordance with the terms of this Agreement; or

(b) will forthwith be paid to the Security Agent which will be held by the Security Agent for application in accordance with this Agreement (and pending such payment to the Security Agent, the receiving Obligor, Services Provider or Subordinated Creditor will hold the amount received for and to the order of the Security Agent for application in accordance with this Agreement for the benefit of itself and the other Creditors for the purposes of this Agreement).

8. ENFORCEMENT

8.1 Senior Creditors: permitted enforcement

The Senior Creditors (other than the Hedge Counterparties) shall be entitled to take any Enforcement Action in respect of the Senior Liabilities in accordance with the terms of the Senior Facility Agreement.

8.2 Hedge Counterparties: permitted enforcement

The Hedge Counterparties shall not take any Enforcement Action at any time except that they may terminate or close out any hedging transaction under the Hedging Documents prior to its stated maturity (and shall notify the Senior Agent if they do so) if:

(a) the Senior Lenders have accelerated all or any part of their Liabilities or declared them prematurely due and payable;

(b) an Obligor has defaulted on a payment due under the Hedging Documents and twenty-one days have expired since the date of such default being notified to the Senior Agent;

(c) the consent of the Majority Senior Creditors is obtained;

(d) an Event of Default relating to clauses 22.7 (*Insolvency*), Clause 22.8 (*Winding Up*) and Clause 22.10 (*Similar Events Elsewhere*) of the Senior Facility Agreement occurs and is continuing; or

(e) an Illegality or a Tax Event or a Tax Event Upon Merger (each as defined in the ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc.) occurs and is continuing,

provided that following any prepayment, repayment or refinancing of any of the Term Facilities (as defined in the Senior Facility Agreement) each Hedge Counterparty may terminate or close out in part any hedging for any such Term Facility pro rata to the amount of the reduction in such Term Facility to the extent permitted by the last paragraph of Clause 4.1 (Prohibited Action).

8.3 Hedge Counterparties: required enforcement

(a) The Hedge Counterparties shall promptly terminate or close out any hedging transaction under the Hedging Documents prior to its stated maturity following a request by the Security Agent if the Senior Lenders have accelerated their Liabilities or declared them prematurely due and payable.

(b) The Hedge Counterparties shall take such steps as required by the Security Agent to enforce any security granted to them following enforcement of the Security Documents in accordance with clause 10.1(a) (*Senior Agent's directions*).

8.4 Intergroup Creditors: permitted enforcement

(a) Subject to Clause 9 (*Effect of Insolvency Event*) and paragraph (b) below but, for the avoidance of doubt, without prejudice to Clause 6.2 (*Permitted Payments to Subordinated Creditors/Investor Creditors*), none of the Intergroup Creditors shall be entitled to take any Enforcement Action (which however will not, prior to the occurrence of a Default, restrict set-off in respect of such Liabilities) unless all the Senior Liabilities have been repaid and discharged in full.

(b) After the service of a notice under Clause 22.18 (*Acceleration*) of the Senior Facility Agreement, each Intergroup Creditor will take any Enforcement Action in relation to the Intergroup Liabilities which the Security Agent directs it to take and, if so required by the Security Agent, shall (to the extent it is able) amend, waive or release the Intergroup Liabilities owed to it by other members of the Group and/or terms applicable to it in such manner and to such extent as the Security Agent may direct.

8.5 Subordinated Creditors/Services Providers: permitted enforcement

(a) Subject to Clause 9 (*Effect of Insolvency Event*) and paragraph (b) below, none of the Subordinated Creditors nor any Services Provider shall be entitled to take any Enforcement Action in respect of any of the Subordinated Liabilities or the Services Provider Liabilities, respectively, unless all the Senior Liabilities have been repaid and discharged in full;

(b) after the service of a notice under Clause 22.18 (*Acceleration*) of the Senior Facility Agreement, each Subordinated Creditor will take any Enforcement Action in relation to the Subordinated Liabilities which the Security Agent directs it to take.

8.6 No restriction on permitted payments

No restriction on the taking of Enforcement Action included in this Clause 8 shall restrict the making or receiving of any payment permitted under Clause 6 (*Permitted Payments*).

9. EFFECT OF INSOLVENCY EVENT

9.1 Acceleration and claim

After the occurrence of an Insolvency Event in relation to any Obligor the Security Agent is irrevocably authorised by the Subordinated Creditors, the Services Providers and the Hedge Counterparties to exercise any right it may have in respect of that Obligor to:

(a) accelerate any of its Services Provider Liabilities or Subordinated Liabilities (as the context requires) owed by that Obligor or declare them prematurely due and payable or payable on demand or prematurely close out or terminate any Hedging Liabilities owed by that Obligor;

(b) make a demand under any guarantee, indemnity or other assurance against loss in respect of any Services Provider Liabilities or Subordinated Liabilities (as the context requires) owed by that Obligor;

(c) exercise any right of set-off or take or receive any payment in respect of any Services Provider Liabilities or, as the case may be, Subordinated Liabilities owed by that Obligor;

(d) claim and prove in the liquidation of that Obligor or in relation to the Services Provider Liabilities or Subordinated Liabilities (as the context requires) owing by that Obligor; or

(e) take any other Enforcement Action in relation to that Obligor.

If and to the extent that the Security Agent is not entitled, or elects not, to take any of the action mentioned in the paragraphs above in this Clause 9.1, the Subordinated Creditors and/or the Services Providers and/or the Hedge Counterparties will do so promptly on request by the Security Agent.

9.2 Subordinated Creditors/Services Provider

After the occurrence of an Insolvency Event in relation to an Obligor, upon request of the Security Agent, the relevant Subordinated Creditors or Services Providers (or any one of them), to the extent they are liable for the payment of Liabilities to the Secured Creditors, shall prove in the insolvency or in the winding-up of any such Obligor for all or any part of the Subordinated Liabilities or Services Provider Liabilities, and thereafter shall, in relation to such insolvency or winding-up, act in accordance with the directions of the Security Agent in respect of the Subordinated Liabilities and Services Provider Liabilities and any payment or distribution of assets of that Obligor of any kind or character in respect of any Subordinated Liabilities or Services Provider Liabilities to which such Subordinated Creditors or Services Providers (or any one of them) would have been entitled except for the provisions of this Agreement shall be paid to the Security Agent (on behalf of the Secured Creditors) to the extent necessary to repay all the Liabilities of the Secured Creditors in full in accordance with their terms and to the extent that such Subordinated Creditors or Services Providers are liable for the payment of such Liabilities to the Secured Creditors.

9.3 Payment of distributions

(a) After the occurrence of an Insolvency Event in relation to any Obligor, the person responsible for the distribution of the assets of that Obligor shall be directed to pay any distributions in respect of any of the Liabilities to the Security Agent until the Liabilities of the Secured Creditors have been paid in full.

(b) Upon the occurrence of an Insolvency Event in relation to an Obligor, until the Senior Discharge Date, each Subordinated Creditor, Services Provider and Hedge Counterparty will:

(i) hold all payments and distributions in cash or in kind received or receivable by it in respect of the relevant Liabilities and apply it in accordance with Clause 7.3 (*Turnover by Obligors*);

(ii) on demand by the Security Agent, pay an amount equivalent to any Liability owing to it and discharged by set-off, combination of accounts or otherwise to the Security Agent, for application in accordance with Clause 12 (*Application of Proceeds*);

(iii) promptly do whatever the Security Agent requests to give effect to this Clause 9.

9.4 Set-Off

To the extent that any of the Liabilities is discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event, any Creditor which benefited from that set-off shall pay an amount equal to the amount of its Liabilities discharged by that set-off to the Security Agent for application in accordance with clause 12 (*Application of Proceeds*).

9.5 Creditors' actions

The Creditors will do all things that the Security Agent reasonably requests in order to give effect to this Clause 9 and, if the Security Agent is not entitled to take any of the actions contemplated by this Clause 9 or if the Security Agent requests any Creditor to take that action, that Creditor will undertake those actions itself in accordance with the instructions of the Security Agent.

9.6 Authorisation to Security Agent

At any time after a Default has occurred, the Security Agent shall take such steps as it deems necessary or advisable:

(a) to perfect or enforce any security granted pursuant to any of the Security Documents;

(b) to effect any disposal or realisation or enforcement of any of the Liabilities (including by any acceleration thereof);

(c) to collect and receive any and all payments or distributions which may be payable or deliverable in relation to any of the Liabilities; or

(d) otherwise to give effect to the intent of this Agreement,

provided always that:

(i) the Security Agent may refrain from enforcing the security conferred by the Security Documents unless and until instructed to do so by the Majority Senior Creditors; and

(ii) if the Majority Senior Creditors instruct the Security Agent to enforce the security conferred by the Security Documents, it may do so in such manner as it deems fit and having regard (subject to any Senior Subordinated Notes Intercreditor Deed) solely to the interests of the Secured Creditors. Neither the Security Agent, the Senior Agent nor any other Secured Creditor shall be responsible to the Hedge Counterparties or the Subordinated Creditors for any failure to enforce or to maximise the proceeds of any enforcement, and may cease any such enforcement at any time.

10. ENFORCEMENT OF SECURITY

10.1 Senior Agent's directions

(a) The Security Agent will enforce the Security Documents only at the request of the Senior Agent (acting in accordance with the Senior Finance Documents in respect of the Senior Liabilities).

(b) At all times after the request to commence enforcement has been issued and subject to the terms of this Agreement, the Security Agent will act on the directions of the Senior Agent (acting in accordance with the Senior Finance Documents on the instructions of the Majority Senior Creditors).

(c) The Security Agent may refrain from acting in accordance with any instructions given in accordance with paragraph (a) and (b) above (i) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions or (ii) if it believes that acting in accordance with such instructions could render it in breach of any Senior Subordinated Notes Intercreditor Deed(s).

10.2 Notice of intention to enforce

Before commencing enforcement of any Security Documents, the Security Agent will provide notice to the Obligors' Agent of its intention to enforce the Security Documents. No further notification of enforcement to the Obligors' Agent or any Obligor shall be required and no individual notification with respect to any specific Security Document shall be provided.

10.3 Obligors' waiver

To the extent permitted under applicable law and subject to Clause 12 (*Application of Proceeds*), each of the Secured Creditors, the Subordinated Creditors and the Obligors waives all rights it may otherwise have to require that the Security Documents be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Security Documents or of any other security interest, which is capable of being applied in or towards discharge of any of the Liabilities is so applied.

10.4 Second Ranking Security

(a) The beneficiaries of any First Ranking Security expressly agree that the Senior Creditors which are beneficiaries of any Second Ranking Security will receive the proceeds of enforcement of any Security created pursuant to the Security Documents in accordance with Clause 12.1 (*Application of Proceeds*).

(b) The beneficiaries of any First Ranking Security acknowledge and agree that (to the extent required to create or permit to subsist such Second Ranking Security) they will hold assets which are subject to Second Ranking Security as *tiers convenu* (where applicable for the relevant Security) for the beneficiaries of such Second Ranking Security. As such they shall:

(i) without prejudice to the right of the Senior Creditors which are beneficiaries of the First Ranking Security to enforce the Security in accordance with Clause 10.1 (*Senior Agent's directions*) and without prejudice to paragraph (f) below, not exercise their rights as *tiers convenu* in a manner which would impede the enforcement of the Second Ranking Security;

(ii) exercise their rights as *tiers convenu* in any manner directed by the Security Agent; and

(iii) incur no liability whatsoever to any beneficiary of the Second Ranking Security in acting as *tiers convenu*.

(c) Each of the Senior Creditors agree not to take any action to challenge the validity or enforceability of the Second Ranking Security by reason of it being expressed to be second ranking (or any other lower ranking).

(d) The Senior Creditors which are beneficiaries of any Second Ranking Security agree not to take any action to challenge the validity or enforceability of any other Second Ranking Security or any First Ranking Security.

(e) Any request to enforce any Security shall be made in accordance with Clause 10.1 (*Senior Agent's directions*) regardless of the ranking of the relevant Security and unless decided otherwise by the Security Agent any request to enforce the First Ranking Security shall entail enforcement of the Second Ranking Security.

(f) Any Second Ranking Security will provide that the beneficiaries of such Second Ranking Security shall not have any independent right to instruct the Security Agent to take Enforcement Action so long as the First Ranking Security is still existing.

(g) The beneficiaries of any First Ranking Security shall incur no liability to the beneficiaries of the Second Ranking Security for the manner of exercise or any non-exercise of their rights, remedies, powers, authority or discretions under the First Ranking Security or for any waivers, consents or release.

11. DISPOSALS AND CLAIMS

11.1 Proceeds of disposals and claims before Enforcement Action

Prior to the commencement of any Enforcement Action on any disposal permitted by the Finance Documents:

(a) if under the terms of any of the Senior Finance Documents the proceeds from any sale, conveyance, transfer or assignment of assets or any claim under an insurance policy which are the subject of the Security Documents ("**Disposal Proceeds**"), are required to be applied in mandatory prepayment (subject to the provisions of the Senior Facility Agreement allowing retention of such Disposal Proceeds) of the Senior Liabilities, then those proceeds shall (subject to such provisions allowing retention) be applied in or towards payment of the Senior Liabilities; and

(b) irrespective of whether the Disposal Proceeds are required to be applied in mandatory prepayment or not, the Security Agent shall be authorised (at the cost of the Obligors):

(i) to release the assets disposed of from the Security Documents and is authorised to execute or enter into, on behalf of and without the need of any letter of authority from the Creditors or Obligors any release of the Security Documents or any other claim over such assets that may, in the absolute discretion of the Security Agent, be considered necessary or desirable; and

(ii) if the asset disposed of consists of all of the shares in the capital of an Obligor or any Holding Company of that Obligor and to the extent permitted under the Senior Facility Agreement or consented to by an Instructing Group, to release the Obligor or Holding Company from all liabilities it may have to any Creditor, Senior Agent or other Obligor, both actual and contingent in its capacity as a guarantor or borrower (including any liability to any other Obligor by way of guarantee, contribution, subrogation or indemnity and including any guarantee or liability arising under or in respect of the Senior Finance Documents) and to release any Security granted by that Obligor or Holding Company over any of its assets under any of the Security Documents or any other claim over such

assets that may, in the absolute discretion of the Security Agent, be considered necessary or desirable.

11.2 Disposal after Enforcement Action

If any assets are sold or otherwise disposed of by (or on behalf of) the Security Agent or by an Obligor at the request of the Security Agent (acting on the instructions of or with the consent of the Senior Agent) either as a result of the enforcement of the Security Documents or a disposal by an Obligor after any Enforcement Action, the Security Agent shall be authorised (at the cost of the Obligors) to release those assets from the Security Documents and is authorised to execute or enter into, on behalf of and, without the need for any further authority from any of the Creditors or Obligors:

(a) any release of the relevant Security Documents or any other claim over that asset (including any claim of contribution or subrogation by any other Obligor) that may, in the absolute discretion of the Security Agent, be considered necessary or desirable;

(b) if the asset which is disposed of consists of all of the shares in the capital of an Obligor or any Holding Company of that Obligor, any release of the Obligor or Holding Company from all liabilities it may have to any Creditor, Senior Agent or other Obligor, both actual and contingent in its capacity as a guarantor or borrower (including any liability to any other Obligor by way of guarantee, contribution, subrogation or indemnity and including any guarantee or liability arising under or in respect of the Senior Finance Documents) and a release of any Security granted by that Obligor or Holding Company over any of its assets under any of the Security Documents; and

(c) if the asset disposed of consists of all of the shares held by an Obligor in the capital of an Obligor or any Holding Company of that Obligor and if the Security Agent wishes to dispose of any liabilities owed by that Obligor or Holding Company, any agreement to dispose of all or part of those liabilities on behalf of the relevant Creditors, Obligors and the Senior Agent (with the proceeds thereof being applied as if they were the proceeds of enforcement of the Security Documents) provided that the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall have no obligation to postpone any disposal in order to achieve a higher price).

The Creditors and Obligors shall execute any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to these releases or disposals.

The release of any Obligor as contemplated in this Clause 11.2 will not affect or otherwise reduce the obligations and/or liabilities of any other Obligor to the Creditors.

11.3 Releases

(a) Each Creditor hereby irrevocably authorises the Security Agent to release in any manner whatsoever any Security and any guarantee upon the sale or disposal of any asset (including shares) without the need for further referral to, or authority from, any Secured Creditor or other person otherwise than pursuant to an Enforcement Action provided that such sale or disposal is in compliance with the terms of the Finance Documents (including as a result of any consent, release, approval, waiver, amendment or similar action provided in accordance with any Finance Document), where such release is necessary for such sale or disposal.

(b) The Creditors and Obligors shall execute any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to these releases or disposals provided that the proceeds of those disposals or claims are applied in accordance with Clause 11.1 (*Proceeds of disposals and claims before Enforcement Action*) (or if Clause 11.1 (*Proceeds of*

disposals and claims before Enforcement Action) does not apply) as if they were the proceeds of enforcement of the Security Documents.

12. APPLICATION OF PROCEEDS

12.1 Application of Proceeds

Notwithstanding the terms of the Security Documents, all amounts received by the Security Agent pursuant to the terms of this Agreement and, subject to the rights of the holders of any prior or preferential Encumbrances or other creditors, the net proceeds of enforcement of the Encumbrances conferred by the Security Documents shall be applied by the Security Agent in accordance with this Agreement in the following order:

First in or towards payment of the remuneration of, and all costs, charges, expenses and liabilities (and all interest thereon as provided for in the Finance Documents) incurred by or on behalf of the Security Agent and any receiver, attorney or agent in connection with carrying out or purporting to carry out its respective duties and exercising its powers and discretions under the Security Documents;

Second in or towards payment of any Fees incurred in connection with any Senior Liabilities;

Third in or towards payment to the Senior Agent for application in or towards discharge of the Senior Liabilities *pari passu* without any priority amongst themselves;

Fourth in payment to the relevant Obligor(s) or other person(s) entitled thereto, and, pending that application:

(a) if the concept of a trust is recognised, the Security Agent shall hold that amount on trust for the beneficiaries entitled to it for application in accordance with the terms of this Agreement; or

(b) if the concept of the trust is not recognised, the Security Agent shall hold that amount for application in accordance with the terms of this Agreement for the benefit of itself and the other Creditors for the purposes of this Agreement.

No such proceeds or amounts shall be applied in payment of any amounts specified in any of the paragraphs in this Clause 12.1 until all amounts specified in any earlier paragraph have been paid in full.

12.2 Affected Proceeds

As an exception to the provisions of Clause 12.1 (*Application of Proceeds*) above, if the application of any proceeds of enforcement of any Encumbrances, guarantees or indemnities (the "**Affected Proceeds**") or any amount held or received by the Security Agent pursuant to the terms of this Agreement (the "**Affected Amounts**") under Clause 12.1 (*Application of Proceeds*) above in or towards the discharge of any Liability would result in or have the effect of an unlawful payment or discharge, or a Prohibited Corporate Action (as defined below), then, subject to Clause 17 (*Sharing*), (a) those Affected Proceeds will be applied in or towards the discharge in full only of the Senior Liabilities (but subject at all times to the provisions of this Agreement) guaranteed or secured by the rights (whether guarantee, indemnity or security) the enforcement or realisation of which gave rise to the Affected Proceeds and (b) those Affected Amounts will be applied in or towards the discharge in full only of the Senior Liabilities (but subject at all times to the provisions of this Agreement) the discharge of which does not result in or does not have the effect of an unlawful payment or discharge or a Prohibited Corporate Action and all remaining proceeds or amounts shall be returned to the relevant Obligor or persons entitled to them.

12.3 Prohibited Corporate Action

For the application of Clause 12.2, "**Prohibited Corporate Action**" shall mean any act or omission that (a) would constitute a breach of a fiduciary duty or a misuse of corporate assets (*abus de biens sociaux*) under article L.242-6 or L.241-3 of the French Commercial Code or under article 171-1 of the Luxembourg law on commercial companies dated 10 August 1915 as amended (or any similar law or regulation in any jurisdiction) or (b) would constitute a breach of the financial assistance prohibition pursuant to article L 225-216 and L. 242-6 of the French Commercial Code or article 629 of the Belgian Company Code or article 49-6 of the Luxembourg law on commercial companies dated 10 August 1915 as amended (or any similar law or regulation prohibiting financial assistance in any jurisdiction) or (c) would be contrary to the corporate interest (intérêt social) of the person concerned (or any similar law or regulation in any jurisdiction).

12.4 Investment of proceeds

Prior to the application of the proceeds of the Security created or expressed to be created by the Security Documents in accordance with Clause 12.1 (*Application of Proceeds*) the Security Agent may place such amounts in a suspense account (bearing interest at a market rate usual for accounts of that type) unless and until such moneys are sufficient in aggregate to discharge in full all amounts then due and payable under the Finance Documents.

12.5 Non-cash Distributions

If the Security Agent receives any distribution otherwise than in cash in respect of the Subordinated Liabilities from any Obligor or any other source, the Security Agent may realise such distributions as it sees fit and shall apply the proceeds of such realisation in accordance with Clause 12.1 (*Application of Proceeds*).

12.6 Conversion of Currencies

If the Security Agent receives any amount under this Agreement or otherwise upon the enforcement of any security for any of the Liabilities in a currency other than the currency of the Senior Liabilities, the Security Agent may convert such amount into the currency of the Senior Liabilities at the Security Agent's spot rate of exchange for the purchase of the relevant currency of the Senior Liabilities with the currency of the amount received in the Paris foreign exchange market.

12.7 Permitted deductions

The Security Agent shall be entitled (a) to set aside by way of reserve amounts properly required to meet and (b) to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Agreement, and to pay all taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

12.8 Good discharge

(a) Any payment to be made in respect of the Senior Liabilities by the Security Agent may be made to the Senior Agent on behalf of the Senior Creditors and any payment made in that way shall be a good discharge of the Security Agent's obligation, to the extent of that payment, by the Security Agent.

(b) The Security Agent is under no obligation to make the payments to the Senior Agent under paragraph (a) of this Clause 12.8 in the same currency as that in which the Liabilities of the relevant Creditor are denominated.

12.9 Preservation of Liabilities

None of the Liabilities shall be deemed reduced:

(a) by the receipt of any amount by any Creditor, if and to the extent that, by virtue of the operation of this Agreement, such amount is required to be paid over to (and pending such payment held for and to the order of) the Security Agent for application and distribution pursuant to the terms hereof; or

(b) by the receipt of any amount by the Security Agent pursuant to the terms of this Agreement for application pursuant to the terms hereof,

unless and until such amount is actually applied and distributed by the Security Agent pursuant to and in accordance with Clause 12.1 (*Application of Proceeds*).

12.10 Senior Subordinated Notes Intercreditor Deed

Each Obligor acknowledges that upon the issue of any Senior Subordinated Notes, any payment to the Obligors in Clause 12.1 (*Application of Proceeds*) and Clause 12.2 (*Affected Proceeds*) above shall be postponed until payment of the amounts due to the Senior Subordinated Noteholders and the Senior Subordinated Notes Trustee is made in accordance with the relevant Senior Subordinated Notes Intercreditor Deed.

13. FAILURE OF TRUSTS

If any trust intended to arise pursuant to Clause 7 (*Turnover*) fails or for any reason (including the laws of any jurisdiction in which any assets, moneys, payments or distributions may be situated) or cannot be given effect to, the relevant party to this Agreement will pay to the Security Agent for application in accordance with Clause 12 (*Application of Proceeds*) an amount equal to the amount (or the value of the relevant assets) intended to be so held on trust for the Security Agent.

14. CONSENTS, AMENDMENTS AND OVERRIDE

14.1 Consents

Each of the Creditors hereby confirms its consent to the terms of each of the Finance Documents and, subject to the terms of this Agreement, the performance by the parties thereto of their respective obligations thereunder.

14.2 Required consents

(a) Subject to Clause 14.3 (*Technical Amendments*), the Senior Agent may, if it has the prior written consent of the Majority Senior Creditors, from time to time, agree to amend this Agreement and any amendments so made by the Senior Agent shall be binding on all the parties hereto, provided that any amendment which would adversely affect any right, or impose or vary any obligation, of any party hereto other than the Senior Creditors may not be made without the consent of that party.

(b) Unless the provisions of any Finance Document expressly provide otherwise, the Security Agent may, if authorised by the Majority Senior Creditors, amend the terms of, waive any of the

requirements of, or grant consents under, any of the Security Documents which shall be binding on each party to this Agreement, except that:

(i) the Security Agent may determine administration matters, cure defects, resolve ambiguities and make technical amendments arising out of manifest errors on the face of any Security Document, where such amendments would not prejudice or otherwise be adverse to the position of any Secured Creditor, without reference to any of the Secured Creditors;

(ii) the prior consent of each Lender affected thereby is required, if within the circumstances envisaged by clause 17.4 (*Consents and Filings*) of the Senior Facility Agreement;

(iii) if within the circumstances envisaged by Clause 38.4 (*Guarantees and Security*) of the Senior Facility Agreement, the prior written consent of Senior Lenders whose Commitments (as defined in the Senior Facility Agreement) amount in aggregate to more than 85 per cent. of the aggregate amount of all Commitments (as defined in the Senior Facility Agreement) are owed, is required; and

(iv) the prior consent of all the Secured Creditors is required to authorise any amendment of any Security Document which would affect the nature or the scope of the Charged Property (except any release of security interest expressly permitted under the Senior Facility Agreement or this Agreement) or the manner in which proceeds of enforcement are distributed.

(c) If the amendment or waiver may impose new or additional obligations on or withdraw or reduce the rights of any party to this Agreement, the consent of that party is required.

(d) An amendment or waiver which relates to the rights or obligations of the Senior Agent or the Security Agent may not be effected without the consent of the Senior Agent or the Security Agent (as the context requires).

(e) Any amendment or waiver given in accordance with this Clause 14.2 will be binding on all parties to this Agreement and the Security Agent may effect, on behalf of the Senior Agent or any Lender, any amendment or waiver permitted by this Clause 14.2.

14.3 Technical Amendments

Notwithstanding Clause 14.2 (*Required consents*), the Senior Agent may determine administrative matters and make amendments to cure defects and correct ambiguities, and make technical amendments arising out of a manifest error on the face of this Agreement, where such amendments would not prejudice or otherwise be adverse to the position of the Secured Creditors, without reference to the Secured Creditors.

14.4 Senior deemed consent

If the Senior Creditors at any time in respect of the Senior Finance Documents give any consent, approval, release or waiver or agree to any amendment (in this Clause a "**Consent**") then, if that action was permitted by the terms of this Agreement, the Obligors and the Subordinated Creditors will:

(a) (or will be deemed to) give a corresponding Consent in equivalent terms in relation to each of the Finance Documents and Subordinated Debt Agreements to which they are a party; and

(b) do anything (including executing any document) that the Senior Creditors may reasonably require to give effect to this Clause 14.4.

14.5 Excluded consents

The right of the Senior Creditors to give Consents under Clause 14.4 (*Senior deemed consent*) does not include the right to give any Consent which has the effect of:

(a) extending the due date for or reducing the amount of or changing the currency of any payment due under any Subordinated Debt Agreement or changing the terms by reference to which any such payment is to be calculated or made;

(b) changing the basis upon which any payments permitted under Clause 6 (*Permitted Payments*) are calculated (including the timing, currency or amount of such payments); or

(c) changing the terms of this Agreement or of any Security Document.

14.6 No liability

The Secured Creditors will not be liable to any other Creditor or Obligor for any Consent given or deemed to be given under this Clause 14.

14.7 Agreement to override

Unless expressly stated otherwise in this Agreement, this Agreement overrides anything in the Finance Documents to the contrary.

14.8 Structure Flex

Notwithstanding Clause 14.2 (*Required consents*), if a New Second Lien Facility (as defined in the Senior Facility Agreement) is implemented in accordance with clause 2.6 (*Structure Flex*) of the Senior Facility Agreement, the Security Agent is authorised to execute on behalf of the Secured Creditors all amendments to the Finance Documents necessary to implement that New Second Lien Facility in accordance with clause 2.6 (*Structure Flex*) of the Senior Facility Agreement and on the same terms as the second lien facility contained in this Agreement prior to the amendment and restatement dated on or about 12 March 2007.

15. INDEMNITIES

15.1 Obligors' indemnity

Each of the Obligors and the Intergroup Creditors, jointly and severally, shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT), properly incurred by any of them as a result of:

(a) any failure by the Company to comply with obligations under Clause 19 (*Expenses*);

(b) the taking, holding, protection or enforcement of the Charged Property;

(c) the proper exercise of any of the rights, powers, and discretions vested in any of them by the Finance Documents or by law; or

(d) any default by any of such Obligors or the Intergroup Creditors in the performance of any of the obligations expressed to be assumed by it in the Subordinated Debt Agreements;

in each case, (i) unless such cost, loss or liability is caused by the gross negligence or wilful misconduct of the Security Agent, Receiver or Delegate, (ii) on the same terms (including, without limitation, the limitations set out therein) as are set out in clause 24 (*Guarantee and Indemnity*) of the Senior Facility Agreement, and (iii) subject to applicable laws and regulations in the relevant jurisdiction in relation to financial assistance prohibition, corporate interest and directors' duties.

15.2 Priority of indemnity

The Security Agent may, in priority to any payment to the Secured Creditors, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in Clause 15.1 (*Obligors' indemnity*) from the Obligors and the Intergroup Creditors and shall have a lien on the Charged Property and the proceeds of the enforcement of the Charged Property for all moneys payable to it under this Clause.

15.3 Secured Creditor's indemnity

If any Obligor or any Intergroup Creditor fails to perform any of its obligations under this Clause 15, each Secured Creditor shall (in the proportion that the Liabilities due to it bears to the aggregate of the Liabilities due to all the Secured Creditors for the time being (or, if the Liabilities of each of those Secured Creditors is zero, immediately prior to their being reduced to zero)), indemnify the Security Agent within three business days of demand against any cost, loss or liability incurred by the Security Agent as a result of that failure to perform and the Obligors and the Intergroup Creditors shall jointly and severally indemnify each of the Secured Creditors against any payment made by it under this Clause 15.

16. INFORMATION BETWEEN CREDITORS

16.1 Amount of Liabilities

The Senior Agent will, on written request by any of the other parties to this Agreement, notify the other in writing of details of the amount of the Senior Liabilities, the Hedging Liabilities and the Subordinated Liabilities, in each case so far as known to it.

16.2 Provision of Information

For the purposes of this Clause 16, the Hedge Counterparties and the Subordinated Creditors shall provide the necessary information to the Senior Agent.

16.3 Disclosures relating to Obligors

Each Obligor hereby consents to the disclosure by any Creditor to any other Creditor, of such information relating to that Obligor, its Subsidiaries or related entities or any other member of the Group in connection with any of the Finance Documents, which comes into the possession of any of them, provided that the provisions of clause 32.10 (*Disclosure of Information*) of the Senior Facility Agreement shall apply to such disclosures mutatis mutandis.

17. SHARING

17.1 Recovering Lender's rights

(a) Any amount paid by a Secured Creditor or Subordinated Creditor (a "**Recovering Lender**") to the Security Agent under Clauses 9 (*Effect of Insolvency Event*) or 7 (*Turnover*) shall be treated as having been paid by the relevant Obligor and distributed in accordance with the terms of this Agreement.

(b) On a distribution of that amount by the Security Agent, the Recovering Lender will be subrogated to the rights of the Senior Lenders which have shared in the redistribution, subject to Clause 17.3 (*Deferral of subrogation*).

(c) If and to the extent that the Recovering Lender is not able to rely on its rights under sub-Clause 17.1(b), the relevant Obligor shall be liable to the Recovering Lender for a debt equal

to the amount received or recovered by the Recovering Lender and paid to the Security Agent (the "**Shared Amount**") which is immediately due and payable.

17.2 Reversal of redistribution

If any part of the Shared Amount received or recovered by a Recovering Lender becomes repayable to an Obligor and is repaid by that Recovering Lender to that Obligor, then:

(a) each Lender which has received a share of the relevant Shared Amount shall, upon request of the Security Agent, pay to the Security Agent for account of that Recovering Lender an amount equal to the appropriate part of its share of the Shared Amount (together with an amount as is necessary to reimburse that Recovering Lender for its proportion of any interest on the Shared Amount which that Recovering Lender is required to pay); and

(b) that Recovering Lender's rights of subrogation or contribution in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to each reimbursing Lender for the amount so reimbursed.

17.3 Deferral of subrogation

(a) No Lender nor any Obligor will exercise any rights which it may have by reason of the performance by it of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation, contribution or otherwise) of any rights under the Finance Documents of any Lender which ranks ahead of it in accordance with the priorities set out in Clause 2 (*Priorities and Subordination*) until such time as all of the Liabilities of each prior ranking Lender (or, in the case of any Obligor, of each Lender) have been irrevocably paid in full.

(b) None of the Subordinated Creditors will exercise any rights which it may have to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Finance Documents of any Lender until such time as all of the Liabilities of each Lender have been irrevocably paid in full.

18. POWERS OF ATTORNEY

18.1 Appointment

Each of the Subordinated Creditors irrevocably appoints each of the Senior Agent and the Security Agent individually as its attorney (with full power to appoint substitutes and to delegate) in its name and on its behalf to perform any act, sign and deliver any deed or otherwise to do anything which such Subordinated Creditor (i) has authorised the Senior Agent or the Security Agent to do under this Agreement or (ii) is required to do by this Agreement but has failed to do for a period of ten Business Days after receiving notice from the Senior Agent or the Security Agent requiring it to do so. The parties hereto hereby agree that this authorisation is given to secure the interests of the parties under this Agreement and is hereby irrevocable.

18.2 Ratification of Acts

Without prejudice to the generality of Clause 18.1 (*Appointment*), each of the Creditors hereby undertakes to the Senior Agent and the Security Agent that promptly upon request, such Creditor will ratify and confirm all transactions entered into and other actions by the Senior Agent and/or, as the case may be, the Security Agent (or any of their substitutes or delegates) in the proper exercise of the power of attorney granted to it hereunder by such Creditor.

18.3 Majority Consent

Any consent required to be given under this Agreement by the Senior Agent will only be given upon the instructions of the Majority Senior Creditors, unless otherwise specified in this Agreement.

19. EXPENSES

The Company shall pay to the Senior Agent (for the account of the Senior Creditors) an amount equal to, all reasonable costs and expenses (including, without limitation, the fees and expenses of legal advisers and any value added tax or similar tax) incurred by the Secured Creditors in connection with the enforcement against any Obligor of any Secured Creditors' rights against it under this Agreement.

20. CHANGES TO THE PARTIES

20.1 Binding Nature

This Agreement shall be binding on and enure to the benefit of each party hereto, its successors and its or any subsequent successors' transferees and assigns.

20.2 No Assignment by Obligors

None of the rights, benefits and obligations of the Obligors hereunder shall be capable of being assigned or transferred and each Obligor undertakes that it will not seek to assign or transfer any of its rights, benefits or obligations hereunder.

20.3 Further Subsidiaries as Parties

(a) If any member of the Group borrows, guarantees, grants security for or otherwise becomes liable for any of the Intercompany Liabilities in excess in aggregate of €15,000,000 (a "**New Obligor**", which expression includes each Additional Borrower and Additional Guarantor, each as defined in the Senior Facility Agreement), the Company will procure that such member of the Group will promptly become a party hereto as an Obligor by the completion and execution of a Deed of Accession or (in the case of an Obligor that becomes a party to the Senior Facility Agreement as a borrower or guarantor) an Accession Document under and in accordance with the terms of the Senior Facility Agreement provided that the Company shall not permit any of its Subsidiaries to become liable for any of the Liabilities other than by way of Intercompany Liabilities, unless the prior written consent of the Majority Senior Creditors shall have been obtained or if permitted or required under the Senior Facility Agreement.

(b) The Company shall procure that, on or prior to the Initial Closing Date, each of ENO Belgium SPRL, Altice Services and Altice One will become a party hereto as Subordinated Creditor or, as the case may be, Services Provider by the completion and execution of a Deed of Accession.

20.4 Hedge Counterparties

The Company shall procure that any person which enters into a Hedging Document as a counterparty shall promptly become a party hereto as a Hedge Counterparty by the completion and execution of a Deed of Accession.

20.5 New Creditors

(a) The parties hereto agree that (a) none of the Secured Creditors, any Services Provider or the Subordinated Creditors will assign or transfer to any person the whole or any part of their rights or obligations in respect of the Senior Liabilities, the Services Provider Liabilities or the Subordinated Liabilities, and (b) the Obligors will procure that no person will enter into an

agreement with any affiliate of Altice Services or other party providing management services to the Group unless, in the case of (a) above, the assignee or transferee or, in the case of (b) above, the Services Provider previously or simultaneously agrees with the other parties hereto to be bound by the provisions of this Agreement as if it were named herein and subject to the same rights and obligations, *mutatis mutandis*, as the Secured Creditors, the Services Provider or the Subordinated Creditors (as the case may be) and executes and delivers to the Security Agent:

(i) (in the case of a Lender) a Transfer Certificate under and in accordance with the terms of the Senior Facility Agreement; or

(ii) (otherwise) a Deed of Accession,

(with a copy, in each case, to the Senior Agent).

(b) The parties hereto confirm that any person becoming a Creditor shall be entitled to the benefit of the provisions contained herein as if it had been originally named a party hereto.

(c) The Company shall procure that any person which enters into a Hedging Document as a counterparty shall promptly become a party hereto as a Hedge Counterparty by the completion and execution of a Deed of Accession.

20.6 New Parties

(a) Each party hereto (including parties subsequently becoming bound by this Agreement) irrevocably authorises the Senior Agent to agree on its behalf with any other person intending to become a party hereto to the execution of a Deed of Accession so as to make such person a party to this Agreement and to effect such amendments to this Agreement as may be necessary or desirable for such purpose, provided that any amendment which would materially and adversely affect any right, or impose or vary any material obligation, of any of the parties hereto may not be made without the consent of that party.

(b) The Senior Agent shall notify all parties hereto of the accession of any new party to this Agreement.

(c) In the case of a Deed of Accession delivered to the Security Agent by any new Ancillary Lender (which is an Affiliate of a Senior Lender):

(i) the Security Agent shall, as soon as practicable after signing and accepting that Deed of Accession, deliver that Deed of Accession to the Senior Agent; and

(ii) the Senior Agent shall, as soon as practicable after receipt by it, sign and accept that Deed of Accession if it appears on its face to have been completed, executed and delivered in the form contemplated by this Agreement.

20.7 Resignation or Removal of the Senior Agent

The Senior Agent may not resign or be removed except as specified in the Senior Facility Agreement and only if a replacement agent agrees with all other parties hereto to become the replacement agent under this Agreement by the execution of a Deed of Accession.

20.8 Accession of Additional Revolving Facility Lenders, Ancillary Lenders and C (Additional Senior Financing) Facility Lenders

(a) The Company shall procure that, no later than the fifth Business Day prior to each Additional Revolving Facility Commitment Date, each relevant Additional Revolving Facility Lender shall (to the extent such Additional Revolving Facility Lender is not already party to this Agreement as a Senior Lender) deliver to the Security Agent a duly completed and signed Deed of Accession.

(b) The Company shall procure that, before any Affiliate of an Additional Revolving Facility Lender makes available any Ancillary Facility in accordance with clause 2.11 (x) (*Affiliates of Lenders as Ancillary Lenders*) of the Senior Facility Agreement, such Affiliate shall (to the extent such Affiliate is not already party to this Agreement as a Senior Lender) deliver to the Security Agent a duly completed and signed Deed of Accession.

(c) The Company shall procure that, no later than the fifth Business Day prior to each C (Additional Senior Financing) Facility Utilisation Date, each relevant C (Additional Senior Financing) Facility Lender shall (to the extend such C (Additional Senior Financing) Facility Lender is not already party to this Agreement as a Senior Lender) deliver to the Security Agent a duly completed and signed Deed of Accession.

21. THE SECURITY AGENT

21.1 Appointment as Security Agent

(a) Each Secured Creditor hereby irrevocably appoints the Security Agent to act as its agent under and in connection with the Security Documents (and the Security Agent accepts such appointment) and irrevocably authorises the Security Agent to execute for and on its behalf each of the Security Documents.

(b) As between the Secured Creditors and the Obligors, the existence and extent of the Security Agent's authority and the effects of the Security Agent's exercise or purported exercise of such authority shall be governed by English law.

(c) Each Senior Creditor authorises the Security Agent to agree, accept and sign on its behalf the terms of any reliance or engagement letter in relation to any Report or any other report or letter provided by any person in connection with the Transaction Documents or the Transactions contemplated in them (including any net asset letter in connection with financial assistance procedures).

21.2 Remuneration

The Security Agent shall be entitled to such remuneration as it may from time to time agree with the Parent and have approved by the Senior Agent.

21.3 Powers

The Security Agent shall have such rights, powers and discretions as are conferred on it by this Agreement and the Security Documents together with such rights, powers and discretions as are reasonably incidental thereto.

21.4 Supplemental Provisions relating to the Security Agent

Notwithstanding that the Security Agent is entitled to remuneration, the Security Agent shall have all the rights, powers, discretions, privileges and immunities which gratuitous trustees have or may have (including without limitation, any powers, trusts, discretions and authorities conferred by general law or otherwise) and it is expressly declared as follows and as otherwise provided in this Agreement:

(a) the Security Agent may retain for its own benefit, and without liability to account any fee or other sum receivable by it for its own account;

(b) the Security Agent may accept deposits from, lend money to, provide any advisory or other services to, or engage in any kind of banking or other business with, any Obligor, Secured Creditor or a subsidiary or associated company of any such person (and, in each case, may do so without liability to account or disclose any such arrangements to any person);

(c) the Security Agent may perform any of its duties, obligations and responsibilities under this Agreement or the Security Documents by or through any of its personnel and/or may employ and pay an agent to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Security Agent (including the receipt and payment of money). Any such agent who is a lawyer, accountant, architect, auctioneer, engineer, surveyor, broker, consultant, valuer or other person engaged in any profession or business shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner or employee of his in connection with the trusts hereof;

(d) the Security Agent may refrain from doing anything which would or might in its opinion be contrary to any Senior Subordinated Notes Intercreditor Deed or any Law of any jurisdiction or any directive or regulation of any agency of any state or which would or might otherwise render it liable to any person and may do anything in its absolute discretion necessary to comply with any such Law, directive or regulation;

(e) the Security Agent and any receiver, delegate, sub-delegate, attorney, agent or other person appointed under this Agreement or any of the Security Documents may indemnify itself or himself out of any sum which is received or recovered by the Security Agent under, pursuant to or in connection with any of the Finance Documents or the exercise of any of the Security Agent's powers under or in connection therewith and which is held by the Security Agent in its capacity as security agent on the terms of the Finance Documents against all liabilities, losses, damages, penalties, actions, judgments, costs, expenses or disbursements of any kind whatsoever (including legal fees) against which the Security Agent is to be indemnified pursuant to Clause 21.11 (*Indemnity*); and

(f) the Security Agent and Senior Agent are hereby authorised by the Senior Creditors to enter into any Senior Subordinated Notes Intercreditor Deed in respect of any issuance of Senior Subordinated Notes that is permitted under the Senior Facility Agreement and to agree to any amendments to the form of Senior Subordinated Notes Intercreditor Deed which are requested by any person proposing to act as Senior Subordinated Notes Trustee (and who subsequently becomes Senior Subordinated Notes Trustee) which are customary for persons acting in such capacity, provided such amendments could not reasonably be expected to be materially prejudicial to the interests of any Senior Creditor (the Senior Agent will provide the Senior Creditors with a copy of such amended Senior Subordinated Notes Intercreditor Deed promptly following its execution).

21.5 Directions

In the exercise of any right or power and as to any matter not expressly provided for by this Agreement or any of the other Finance Documents to which it is a party, the Security Agent shall act in accordance with the instructions of the Majority Senior Creditors and shall be fully protected in so doing. In the absence of any such instructions and/or any relevant contrary requirement contained in this Agreement or any other Finance Document, the Security Agent may act or refrain from acting with respect to such right or power and determine all questions and doubts arising in relation to the interpretation or application of any of the provisions of this Agreement or any Security Document as it affects the Security Agent and every such determination shall be conclusive and be binding on all the Creditors and the Obligors. The Security Agent shall not be required to take any action or exercise any rights, remedies, powers or discretions under or in connection with the Finance Documents beyond those which the Senior Agent shall specifically instruct in writing.

21.6 Exculpation

The Security Agent shall not be liable to any person for any breach by any Secured Creditor of this Agreement or be liable to any Secured Creditor, Obligor or Subordinated Creditor for any breach by any other person of this Agreement or any Finance Document.

21.7 Certificates

In applying any moneys received by it under this Agreement or any of the Security Documents, the Security Agent may rely on any certificate made or given by the Senior Agent as to the identity of, and amount owing to, any Secured Creditor under any of the Finance Documents.

21.8 Communication

The Security Agent may treat each Secured Creditor which is a party hereto as continuing to be such a party, as entitled to payments hereunder and as acting hereunder through its address notified by it to the Security Agent as being its address hereunder for the service of notices and other communications until it has received notice from such Secured Creditor or from the Senior Agent to the contrary.

21.9 Information

(a) The Security Agent shall not have any duty:

(i) either initially or on a continuing basis to provide any Secured Creditor or any other party to this Agreement with any credit or other information (other than information in the Security Agent's possession specifically concerning the Security Documents to any Secured Creditor if requested) with respect to the financial condition or affairs of any member of the Group or any of their related entities whether coming into its possession or that of any related entities of the Security Agent before or on the entry into this Agreement or at any time thereafter; or

(ii) unless specifically requested to do so by the Senior Agent in accordance with this Agreement or any of the Security Documents, to request any certificates or other documents from any member of the Group.

(b) The parties hereto (other than the Security Agent) shall provide the Security Agent with all necessary directions and information as it may reasonably require for the purposes of carrying out its duties and obligations under this Agreement and the Security Documents.

21.10 Disclosure

The Security Agent need not disclose any information relating to any Obligor or any of their related entities or any other person or any matter if such disclosure would or might in the reasonable opinion of the Security Agent constitute a breach of any Law or regulation or any Finance Document or be otherwise actionable at the suit of any person.

21.11 Indemnity

Each Secured Creditor hereby severally agrees to indemnify the Security Agent on demand (to the extent not reimbursed by any Obligor and without prejudice to the liability of any Obligor under any Finance Document) for any and all liabilities, losses, damages, penalties, actions, judgements, costs, expenses or disbursements of any kind whatsoever (including legal fees) which may be imposed on, incurred by or asserted against the Security Agent in any way relating to or arising out of its acting as the Security Agent for the Secured Creditors or any of them under this Agreement and/or the Security Documents or performing its duties and functions in such capacity under any of the Finance

Documents or any action taken or omitted by the Security Agent thereunder, except to the extent that the liability or loss arises directly from the Security Agent's gross negligence or wilful misconduct.

21.12 Resignation and termination

(a) The Security Agent may resign at any time without being responsible for the costs occasioned by such retirement by giving notice thereof to the Senior Agent. In such event the Majority Senior Creditors, after consultation with the Company, may appoint a successor Security Agent which shall be a reputable and experienced bank.

(b) If such a notice of resignation has been given and, within thirty days after such notice of resignation, no successor Security Agent shall (a) have been appointed by the Majority Senior Creditors and (b) have accepted such appointment, the retiring Security Agent, after consultation with the Company and the Secured Creditors shall have the right to appoint a successor Security Agent which shall be a reputable and experienced bank.

(c) The Security Agent agrees not to resign prior to the Senior Discharge Date without good cause, but its resignation shall be conclusive evidence of there having been good cause.

(d) The Majority Senior Creditors may, at any time in consultation with the Company by thirty days prior notice to the Security Agent and the Company, terminate the appointment of the Security Agent and appoint a successor Security Agent.

(e) The resignation of the retiring Security Agent or the termination of its appointment and the appointment of any successor Security Agent shall both become effective upon the successor Security Agent notifying the Senior Agent and the Hedge Counterparties in writing that it accepts such appointment and executing a Deed of Accession (a copy of which shall be delivered to each of the Senior Agent and the Hedge Counterparties), whereupon the successor Security Agent shall succeed to the position of the retiring Security Agent and the term "**Security Agent**" in all of the Finance Documents shall be deemed to refer to such successor Security Agent where appropriate. This Clause 21 shall continue to benefit a retiring Security Agent in respect of any action taken or omitted by it under this Agreement or the Finance Documents while it was a Security Agent.

(f) The retiring Security Agent will co-operate with the successor Security Agent in order to ensure that its functions are transferred to the successor Security Agent without disruption to the service provided to the Finance Parties and the Group and will promptly make available to the successor Security Agent the documents and records which have been maintained in connection with this Agreement and the Security Documents in order that the successor Security Agent is able to discharge its functions.

(g) The Obligors shall take such action as may be necessary and the Security Agent at the request (and cost) of the Company shall take such action as may be practicable in order that the Security Documents or replacements therefor shall provide for perfected and enforceable security in favour of any successor Security Agent including making available to the successor Security Agent such documents and records as the successor Security Agent shall reasonably request.

21.13 Security Documents

(a) The Security Agent shall not be liable for any failure, omission, or defect in perfecting the security constituted by any Security Document or any security created thereby including, without limitation, any failure to (a) register the same in accordance with the provisions of any of the documents of title of the relevant Obligor to any of the property thereby charged, (b) make any recordings or filings in connection therewith, (c) effect or procure registration of or otherwise protect the floating charge or any other such security created by or pursuant to the Security Documents under the Laws of any jurisdiction requiring such registration, (d) give notice to any person of the

execution of any of the Security Documents or (e) to obtain any licence, consent, or other authority for the creation of any security.

(b) The Security Agent in its capacity as agent or trustee or otherwise may accept without enquiry such title as any Obligor may have to the property over which security is intended to be created by any Security Document.

(c) The Security Agent shall be at liberty to place any title deeds, Security Documents or any other documents in connection with the property charged by any Security Document or any other such security in its own possession in any safe deposit, safe or receptacle selected by the Security Agent.

(d) Save as otherwise provided in the Security Documents, all moneys which under a trust or otherwise herein or therein contained are received by the Security Agent in its capacity as agent or trustee or otherwise may be invested in the name of or under the control of the Security Agent in any investment for the time being authorised by the Laws of the applicable jurisdiction for the investment by trustees of trust money or in any other investments which may be selected by the Security Agent with the consent of the Majority Senior Creditors. Additionally, the same may be placed on deposit in the name of or under the control of the Security Agent at such bank or institution (including any of the Senior Agent or the Security Agent) and upon such terms as the Security Agent may think fit.

(e) If instructed by the Senior Agent, the Security Agent shall concur with the Company or any other Obligor in, and shall exercise its powers pursuant to Clause 14.2 (*Required consents*) in, making any modification to the Security Documents which relate to administrative matters and make technical amendments arising out of manifest errors on the face of the Security Documents where such amendments would not (in the Senior Agent's opinion) prejudice or otherwise be adverse to the position of the Secured Creditors.

(f) Each Secured Creditor hereby confirms its approval of the Security Documents which shall for this purpose include any Deed of Accession and any security created or to be created pursuant thereto and hereby authorises, empowers and directs the Security Agent (by itself or by such person(s) as it may nominate) to execute and enforce the same as trustee, agent or as otherwise provided (and whether or not expressly in the Secured Creditor's name) on its behalf, subject always to the terms of this Agreement and the Security Documents.

(g) Upon repayment in full of the Senior Liabilities, the Security Agent will have the capacity and power to execute any release document in relation to the Security Documents.

21.14 Co-Agents and Attorneys

(a) The Security Agent may appoint any person established or resident in any jurisdiction to act either as a separate security agent or a co-security agent jointly with the Security Agent (a) if the Security Agent considers that without such appointment the interests of the Secured Creditors under the Finance Documents would be materially and adversely affected or (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed or (c) for the purposes of obtaining a judgement in any jurisdiction or the enforcement in any jurisdiction of either a judgement already obtained or any of the provisions of the Finance Documents, provided that in each case such separate security agent or co-security agent becomes bound by the terms of this Agreement as if it were the Security Agent.

(b) Each separate security agent or co-security agent shall (subject always to the provisions of this Agreement) have such powers, authorities and discretions (not exceeding those conferred on the Security Agent by this Agreement) and such duties and obligations as shall be conferred or imposed by the instrument of appointment.

(c) Each Secured Creditor hereby irrevocably appoints the Security Agent to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Agreement) have such powers, authorities and discretions (not exceeding those conferred on the Security Agent by this Agreement) and such duties and obligations as shall be conferred on such person or imposed by the instrument of appointment. The Security Agent shall have power in like manner to remove any such person. Such proper remuneration as the Security Agent may pay to any such person, together with any attributable costs, charges and expenses properly incurred by it in performing its function as such separate security agent or co-agent, shall for the purposes of this Agreement be treated as costs, charges and expenses incurred by the Security Agent.

21.15 Conflict with Security Documents

If there is any conflict between the provisions of this Agreement and any Security Documents with regard to instructions to or other matters affecting the Security Agent, this Agreement will prevail, to the extent permitted by applicable laws.

21.16 Responsibility for Documentation

The Security Agent is not responsible to any other party for:

(a) the execution, genuineness, validity, enforceability, or sufficiency of any Finance Document or any other document;

(b) the collectability of amounts payable under any Finance Document; or

(c) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document.

21.17 Default

(a) The Security Agent is not obliged to monitor or enquire as to whether or not a Default has occurred and will not be deemed to have knowledge of the occurrence of a Default unless the Security Agent has actual knowledge thereof.

(b) The Security Agent may require the receipt of Security satisfactory to it, whether by way of payment in advance or otherwise, against any liability or loss which it may suffer or incur in taking any proceedings or action arising out of or in connection with any Finance Document before it commences such proceeding or takes such action.

21.18 Exoneration

(a) Without limiting paragraph (b) below, the Security Agent will not be liable for any action taken or not taken by it under or in connection with any Finance Document, except to the extent caused by its gross negligence or wilful misconduct.

(b) No party to this Agreement may take any proceedings against any officer, employee or agent of the Security Agent in respect of any claim it might have against the Security Agent or in respect of any act or omission of any kind (including gross negligence or wilful misconduct) by that officer, employee or agent in relation to any Finance Document.

21.19 Reliance

The Security Agent may:

(a) accept as sufficient evidence, a certificate signed or purported to be signed on behalf of the Senior Agent to the effect that any particular dealing, transaction, step or thing is, in the opinion of the Senior Agent suitable or expedient or as to any other fact or matter upon which the Security Agent may require to be satisfied and the Security Agent shall be in no way bound to call for further evidence or to be responsible for any loss that may be occasioned by acting on any such certificate;

(b) assume that the identity of the Senior Agent is as notified to it at the date of this Agreement subject to any Deed of Accession amending the same;

(c) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;

(d) rely on any statement made by a director, partner or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and

(e) engage, pay for and rely on legal or other professional advisers selected by it (including those in the Security Agent's employment and those representing a party to this Agreement other than the Security Agent).

21.20 Hedge Counterparty

Each Hedge Counterparty hereby authorises the Security Agent to exercise such rights, powers, authorities and discretions as are specifically delegated to the Security Agent by the terms of this Agreement together with all such rights, powers, authorities and discretions as are reasonably incidental thereto.

21.21 Other Capacity and Business

The Security Agent may from time to time be a Creditor or act in any other capacity and shall in any such event be entitled, notwithstanding that it is also Security Agent, to take or refrain from taking any action which it would be entitled to take if it were not the Security Agent and shall not be precluded, by virtue of its position as a Creditor or acting in any other capacity, from exercising any of its discretions, powers and duties as a Security Agent. The Security Agent may enter into any financial or business contracts or any other transaction or arrangement with any Obligor or any other person and shall be in no way accountable to such Obligor or any other person for any profits or benefits arising from any such contract or transaction.

22. NOTICES

22.1 Communication of Notices

Each communication to be made hereunder shall be made in writing and unless otherwise stated shall be made by fax, telex, letter or electronic mail.

22.2 Delivery of Notices

(a) Any communication or document to be made or delivered by one person to another pursuant to this Agreement shall (unless that other person has by fifteen days' prior written notice to the Senior Agent specified another address) be made or delivered to that other person at the address specified before the signature page below (Address for Notices) or, in the case of a New Obligor,

or other person becoming party hereto after the date hereof in the Deed of Accession or other acceding document executed by it and shall be deemed to have been made or delivered when dispatched (in the case of any communication made by fax) or (in the case of any communication made by letter) when left at that address or (as the case may be) five days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address provided that any communication or document to be made or delivered to the Senior Agent or the Security Agent shall be effective only when received by the Senior Agent or the Security Agent (as the context requires), and then only if the same is expressly marked for the attention of the department or officer identified with the signature below (or such other department or officer as the Senior Agent or the Security Agent (as the context requires) shall from time to time specify for this purpose).

(b) Any communication to be made by one person to another pursuant to this Agreement may be made by electronic mail or other electronic means, if the persons:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

Any electronic communication made between the Senior Agent and another party to this Agreement will be effective only when actually received in readable form and in the case of any electronic communication made by the relevant party to the Senior Agent only if it is addressed in such a manner as the Senior Agent shall specify for this purpose.

23. REMEDIES, WAIVERS & AMENDMENTS

23.1 No Waiver

No failure to exercise, nor any delay in exercising, on the part of any Creditor any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by Law.

23.2 Technical Amendments

Notwithstanding Clause 14.2 (*Required consents*), the Senior Agent may determine administrative matters and make amendments to cure defects and correct ambiguities, and make technical amendments arising out of a manifest error on the face of this Agreement, where such amendments would not prejudice or otherwise be adverse to the position of the Secured Creditors, without reference to the Secured Creditors.

23.3 Amended Agreement

If any amendment is made to this Agreement, the Senior Agent shall provide a copy of any such amendment (clearly showing the amendments made) to each of the parties hereto (including any persons which are parties hereto pursuant to a Deed of Accession).

23.4 Waiver of defences

The provisions of this Agreement will not be affected by an act, omission, matter or thing which, but for this Clause 23.4, would reduce, release or prejudice the subordination and priorities in this Agreement including:

(a) any time, waiver or consent granted to, or composition with any person;

(b) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Charged Property;

(c) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;

(d) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;

(e) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(f) any intermediate payment or discharge of any of the Liabilities of the Secured Creditors in whole or in part.

23.5 Amendment of Intercompany Loan

Each of Est Videocom and AFE agree that the terms of the loan agreement dated 23 December 2002 shall be amended with effect from the date hereof to allow assignment to the Security Agent and the Beneficiaries.

24. ENGLISH LANGUAGE

Each communication and document made or delivered by one party to another pursuant to this Agreement shall be in the English language or accompanied by a translation thereof into English certified (by an officer of the person making or delivering the same) as being a true and accurate translation thereof.

25. PARTIAL INVALIDITY

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the Law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the Law of any other jurisdiction shall in any way be affected or impaired thereby.

26. THIRD PARTY RIGHTS

It is agreed that otherwise than in circumstances where the requirements of this Agreement with regard to assignments and transfers are satisfied, a person who is not a party to this Agreement shall have no rights to enforce any of the terms or provisions of this Agreement other than those it would have had if the Contracts (Rights of Third Parties) Act 1999 had not come into force.

27. COUNTERPARTS

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

28. GOVERNING LAW

This Agreement is governed by, and shall be construed in accordance with, English law.

29. JURISDICTION

29.1 Courts of England

Each of the parties hereto irrevocably agrees for the benefit of each of the Secured Creditors that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement (respectively "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

29.2 Waiver of Indemnity

Each of the Obligors irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

29.3 Service of Process

Each Obligor not incorporated in England agrees that the process by which any Proceedings are begun may be served on it by being delivered in connection with any Proceedings in England to Cinven Limited at Warwick Court, Paternoster Square, London EC4M 7AG, England, tel +44 (0)20 7661 3333, fax +44 (0)20 7661 3888 (for the attention of Kevin Whale) or its registered office for the time being. If the appointment of the person mentioned in this Clause ceases to be effective in respect of the relevant Obligor, it shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within fifteen days, the Senior Agent shall be entitled to appoint such person by notice to the relevant Obligor. Nothing contained herein shall affect the right to serve process in any other manner permitted by Law.

29.4 Proceedings in Other Jurisdictions

The submissions to the jurisdiction of the Courts of England shall not (and shall not be construed so as to) limit the right of the Secured Creditors or any of them to take Proceedings against any of the Obligors in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable Law.

29.5 General Consent

Each of the Obligors hereby consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgement which may be made or given in such Proceedings.

29.6 Waiver of Immunity

To the extent that any Obligor may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgement or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), such Obligor hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the full extent permitted by the Laws of such jurisdiction.

In witness whereof this Agreement has been delivered as a deed by the parties hereto on the day and year first above written.

SCHEDULE 1

SENIOR LENDERS

BNP PARIBAS

BNP PARIBAS, LONDON BRANCH

CREDIT AGRICOLE LUXEMBOURG

LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH

MORGAN STANLEY BANK INTERNATIONAL LIMITED

MORGAN STANLEY SENIOR FUNDING, INC.

in each case as Senior Lenders under any of the A Facility, the B Facility, the C Facility and the Capital Investment Facility, as applicable

SCHEDULE 2

DEED OF ACCESSION

This Deed of Accession dated **[•]** is supplemental to an intercreditor deed (the "**Intercreditor Agreement**") dated 6 July 2006 (as amended and restated on **[•]**) between, inter alios, Ypso Holding SARL as the Parent, Ypso France SAS (formerly known as Eno France SAS) as the Company, the Senior Agent, Security Agent, the Senior Lenders, the Original Borrowers and the Original Guarantors.

Terms defined in the Intercreditor Agreement shall have the same meaning when used in this Deed.

[Name of new Senior Lender/New Obligor/new Agent/new Hedge Counterparty/new Subordinated Creditor/new Services Provider] of [address] hereby agrees with each other person who is or who becomes a party to the Intercreditor Agreement in accordance with the terms thereof that with effect on and from the date hereof it will be bound by the Intercreditor Agreement as [a Senior Lender/an Obligor/the Senior Agent/a Hedge Counterparty/a Subordinated Creditor/a Services Provider] as if it had been party to the Intercreditor Agreement in such capacity.

[The acceding Lender is an Affiliate of a Senior Lender and has become a provider of an Ancillary Facility. In consideration of the acceding Lender being accepted as an Ancillary Lender for the purposes of the Senior Facility Agreement, the acceding Lender confirms, for the benefit of the parties to the Senior Facility Agreement, that, as from [date], it intends to be party to the Senior Facility Agreement as an Ancillary Lender, and undertakes to perform all the obligations expressed in the Senior Facility Agreement to be assumed by a Finance Party and agrees that it shall be bound by all the provisions of the Senior Facility Agreement, as if it had been an original party to the Senior Facility Agreement as an Ancillary Lender.]

Address for notices of [name of new Senior Lender/New Obligor/Senior Agent, etc.] for the purposes of Clause 22.2 (*Delivery of Notices*) of the Intercreditor Agreement is:

Address:

Telephone Number:

Facsimile Number:

[Telex Number:]

[We have appointed **[•]** at **[•]** [(being the person named in Clause 29.3 of the Intercreditor Agreement (*Service of Process*) as the process agent for each of the other Obligors/ Subordinated Creditor)] as our process agent for the purposes of service of process pursuant to Clause 29.3 of the Intercreditor Agreement (*Service of Process*).]

This Deed is governed by and shall be construed in accordance with English law.

In witness whereof this Deed of Accession has been executed as a deed by the party hereto, and is delivered on the date written above.

[THE COMMON SEAL of

[•]

was hereunto affixed in the presence of:

Director

Director/Secretary][(1)]

[Accepted by:

BNP Paribas

acting as Senior Agent and Security Agent

By:][(2)]

(1) Insert appropriate deed signature block.
(2) To include in relation to the accession of Ancillary Lenders under clause 20.6(c) (*New Parties*).

SCHEDULE 3

FORM OF SUBORDINATED BLOCK NOTICE

From: **[●]**
as Senior Agent

To: YPSO FRANCE S.A.S. (formerly know as ENO FRANCE S.A.S.)
as Company

YPSO HOLDING SARL
as Parent

Cc: **[●]**
as Security Agent

We refer to the intercreditor deed (the "**Intercreditor Agreement**") dated 6 June 2006 (as amended and restated on **[●]**) between, *inter alios*, YPSO HOLDING SARL as the Parent, YPSO FRANCE S.A.S. (formerly know as ENO FRANCE S.A.S.) as the Company, the Senior Agent, the Security Agent, the Senior Lenders, the Original Borrowers and the Original Guarantors.

Terms defined in the Intercreditor Agreement shall have the same meaning when used in this Subordinated Block Notice.

Pursuant to Clause 6.3 (*Suspension of Permitted Payments to Subordinated Creditors/Investor Creditors*) of the Intercreditor Agreement, we hereby give you notice of the occurrence of the Senior Default(s), details of which are set out below, and confirm that all payments to the Subordinated Creditors which would otherwise be permitted to be made pursuant to Clause 6.2 (*Permitted Payments to Subordinated Creditors/Investor Creditors*) of the Intercreditor Agreement may no longer be made and shall not be made (in each case, except as provided to the contrary in Clause 6.3 (*Suspension of Permitted Payments to Subordinated Creditors/Investor Creditors*)) until the earliest date on which:

(x) paragraph (a) of Clause 6.3 (*Suspension of Permitted Payments to Subordinated Creditors/ Investor Creditors*) does not apply; and

(y) one of the following applies:

(i) the Senior Agent acting on the instructions of the Majority Senior Creditors, by notice in writing to the Parent, confirms that the relevant Default has been cured or waived by the Majority Senior Creditors in writing or has ceased to exist;

(ii) the Senior Agent (acting on the instructions of the Majority Senior Creditors) by notice in writing to the Company cancels this Subordinated Block Notice; or

(iii) the Senior Discharge Date occurs.

Details of Senior Default: **[●]**

By: _____
For and on behalf of
[●]
as Senior Agent

Address for Notices and signature pages

The Company

YPSO FRANCE S.A.S
(formerly named ENO FRANCE S.A.S)

Address: 26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax No: +33 1(0)1.45.08.58.79

Attention: the Président

SIGNED by MICHEL MATAS
on behalf of YPSO FRANCE S.A.S
(formerly named ENO FRANCE S.A.S)
and thereby executed by it as a DEED _____

The Parent

YPSO HOLDING SA

Address: 8-10 rue Mathias Hardt
L-1717 Luxembourg
Luxembourg

Fax No: +352.48.06.31

Attention: the Gérant

SIGNED by MICHEL MATAS
on behalf of YPSO HOLDING SA and
thereby executed by it as a DEED _____

The Original Borrowers

YPSO FRANCE S.A.S
(formerly named ENO FRANCE SAS)

SIGNED by MICHEL MATAS
on behalf of ENO FRANCE S.A.S and
thereby executed by it as a DEED _____

CODITEL BRABANT Sprl

Address: Rue des Deux Eglises, 26
1000 Bruxelles
Belgium
Copy to: Eno France SAS
23 rue du Roule
75001 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

SIGNED MICHEL MATAS
on behalf of CODITEL BRABANT Sprl and
thereby executed by it as a DEED _____

ALTICE FRANCE EST SAS

Address: 4, rue des Mercuriales
67450 Lampertheim
France
Copy to: YPSO FRANCE S.A.S
(formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

SIGNED by MICHEL MATAS
on behalf of ALTICE FRANCE EST SAS
and thereby executed by it as a DEED _____

CODITEL SARL

Address: 283, route d' Arlon
L-8011 Strassen
Luxembourg
Copy to: YPSO FRANCE S.A.S
(formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

SIGNED by MICHEL MATAS
on behalf of CODITEL SARL and thereby
executed by it as a DEED _____

EST VIDEOCOMMUNICATION SAS

Address: 4, rue des Mercuriales
67450 Lampertheim
France
Copy to: YPSO FRANCE S.A.S (formerly named Eno France SAS)
26/40 rue d'Oradour sur Glane
75015 Paris
France

Fax: +33 (0)1.45.08.58.79

Attention: The President

SIGNED by MICHEL MATAS
on behalf of EST
VIDEOCOMMUNICATION SAS and
thereby executed by it as a DEED _____

NUMERICABLE SAS

Address: 26/40 rue d'Oradour sur Glane
75015 Paris

Fax: +33 (0)1 55 92 46 95

Attention: The President

SIGNED by MICHEL MATAS
on behalf of NUMERICABLE SAS and
thereby executed by it as a DEED _____

The Original Guarantors

YPSO HOLDING SA

SIGNED by MICHEL MATAS
on behalf of YPSO HOLDING SA and
thereby executed by it as a DEED _____

YPSO FRANCE S.A.S
(formerly named ENO FRANCE S.A.S)

SIGNED by MICHEL MATAS
on behalf of YPSO FRANCE S.A.S (formerly
named ENO FRANCE S.A.S) and thereby
executed by it as a DEED _____

CODITEL BRABANT SPRL

SIGNED by MICHEL MATAS
on behalf of CODITEL BRABANT SPRL
and thereby executed by it as a DEED _____

ALTICE FRANCE EST SAS

SIGNED by MICHEL MATAS
on behalf of ALTICE FRANCE EST SAS
and thereby executed by it as a DEED _____

CODITEL SARL

SIGNED by MICHEL MATAS
on behalf of CODITEL SARL and thereby
executed by it as a DEED _____

EST VIDEOCOMMUNICATION SAS

SIGNED by MICHEL MATAS
on behalf of EST
VIDEOCOMMUNICATION SAS and
thereby executed by it as a DEED _____

NUMERICABLE SAS

SIGNED by MICHEL MATAS
on behalf of NUMERICABLE SAS and
thereby executed by it as a DEED _____

NC NUMERICABLE SNC

SIGNED by MICHEL MATAS
On behalf of NC NUMERICABLE SNC and
thereby executed by it as a DEED _____

The Senior Mandated Lead Arrangers

BNP PARIBAS

Address:	37 Place du Marché Saint Honoré 75001 Paris
Attention:	Yannick Jung/Martin Douxami
Fax:	+33 (0) 1 42 98 10 65
Email:	yannick.jung@bnpparibas.com / martin.douxami@bnpparibas.com

SIGNED by YANNICK JUNG
on behalf of BNP PARIBAS and thereby
executed by it as a DEED _____

CALYON

If by courier:

Address: 9, quai du Président Paul Doumer
92920 Paris La Défense Cedex
France

If by post:

Address: 92920 PARIS LA DEFENSE Cedex
France

Attention: David Maisant and Valérie Doze

Fax: +33 (0)1 41 89 91 91

Email: david.maisant@calyon.com / valerie.doze@calyon.com

SIGNED by DAVID MAISANT
on behalf of CALYON and thereby executed
by it as a DEED

VALERIE DOZE

LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH

Address: 25 Bank Street
London E14 5LE
United Kingdom

Attention: Loan Operations

Fax: +44 (0) 207 067 9196

Email: loanops@lehman.com

SIGNED by PIERRE KAHN

On behalf of LEHMAN BROTHERS
BANKHAUS AG, LONDON BRANCH and
thereby executed by it as a **DEED**

MORGAN STANLEY BANK INTERNATIONAL LIMITED

Address:	25 Cabot Square Canary Wharf London E14 4QA England
Attention:	Dorothea Soggard / Matt Ford
Fax:	+44 (0) 207 6773089
Email:	Loandocs@morganstanley.com / LPGOPS@morganstanley.com

SIGNED by RAMON WALSH

for and on behalf of MORGAN STANLEY BANK INTERNATIONAL LIMITED in the presence of: PIERRE BOYER DE LATOUR

The Mezzanine Mandated Lead Arrangers

BNP PARIBAS

Address:	37 Place du Marché Saint Honoré 75001 Paris
Attention:	Yannick Jung / Martin Douxami
Fax:	+33 (0) 1 42 98 10 65
Email:	yannick.jung@bnpparibas.com / martin.douxami@bnpparibas.com

SIGNED by YANNICK JUNG

on behalf of BNP PARIBAS and thereby executed by it as a **DEED** _____

CALYON

If by courier:

Address: 9, quai du Président Paul Doumer
92920 Paris La Défense Cedex
France

If by post:

Address: 92920 PARIS LA DEFENSE Cedex
France

Attention: MM. David Maisant and Valérie Doze

Fax: + 33 (0)1 41 89 91 91

Email: david.maisant@calyon.com / valerie.doze@calyon.com

SIGNED by DAVID MAISANT

on behalf of CALYON and thereby
executed by it as a **DEED** VALERIE DOZE

LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH

Address: 25 Bank Street
London E14 5LE
United Kingdom

Attention: Loan Operations

Fax: +44 (0) 207 067 9196

Email: loanops@lehman.com

SIGNED by PIERRE KAHN

on behalf of LEHMAN BROTHERS
BANKHAUS AG, LONDON BRANCH and
thereby executed by it as a **DEED** _____

MORGAN STANLEY BANK INTERNATIONAL LIMITED

Address:	25 Cabot Square Canary Wharf London E14 4QA England
Attention:	Dorothea Soggard / Matt Ford
Fax:	+44 (0) 207 6773089
Email:	Loandocs@morganstanley.com / LPGOPS@morganstanley.com

SIGNED by RAMON WALSH

for and on behalf of MORGAN STANLEY BANK INTERNATIONAL LIMITED in the presence of: PIERRE BOYER DE LATOUR

The Senior Agent

BNP PARIBAS

Address:	CHCO 1B1 37 Place du Marché Saint Honoré 75031 Paris Cedex 01 France
Attention:	Sergio Collavini / Audrey Saintier
Phone:	(33 1) 42 98 75 50 / 42 98 69 95
Fax:	(33 1) 42 98 43 17
Email:	sergio.collavini@bnpparibas.com / audrey.saintier@bnpparibas.com

SIGNED by YANNICK JUNG

on behalf of BNP PARIBAS and thereby executed by it as a **DEED**

The Mezzanine Agent

LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH

Address:	25 Bank Street London E14 5LE United Kingdom
Attention:	Loan Operations
Fax:	+44 (0) 207 067 9196
Email:	loanops@lehman.com

SIGNED by PIERRE KAHN

on behalf of LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH and thereby executed by it as a **DEED** _____

The Security Agent

BNP PARIBAS

Address:	CHCO 1B1 37 Place du Marché Saint Honoré 75031 Paris Cedex 01 France
Attention:	Sergio Collavini / Audrey Saintier
Phone:	(33 1) 42 98 75 50 / 42 98 69 95
Fax:	(33 1) 42 98 43 17
Email:	sergio.collavini@bnpparibas.com / audrey.saintier@bnpparibas.com

SIGNED by YANNICK JUNG

on behalf of BNP PARIBAS and thereby executed by it as a **DEED** _____

The Senior Lenders

BNP PARIBAS

Address: 37 Place du Marché Saint Honoré
75001 Paris
France

Attention: Yannick Jung / Martin Douxami

Fax: +33 (0) 1 42 98 10 65

Email: yannick.jung@bnpparibas.com / martin.douxami@bnpparibas.com

SIGNED by YANNICK JUNG

on behalf of BNP PARIBAS and thereby executed by it as a **DEED** _____

BNP PARIBAS, LONDON BRANCH

Address: 10 Harewood Avenue
NW1 6AA
United Kingdom

Attention: Claire Guglielmi

Fax: +44 (207) 595 5019

Email: claire.guglielmi@bnpparibas.com

SIGNED by YANNICK JUNG

on behalf of BNP PARIBAS, LONDON BRANCH and thereby executed by it as a **DEED** _____

CREDIT AGRICOLE LUXEMBOURG

Address:	39, allée Scheffer L-2520 Luxembourg Luxembourg
Attention:	Mr. Arnaud Decrulle
Fax:	+352 4767 4080
Email:	arnaud.decrulle@eu.ca-investorservices.com

SIGNED by DAVID MAISANT
on behalf of CREDIT AGRICOLE
LUXEMBOURG and thereby executed by
it as a **DEED** VALERIE DOZE

LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH

Address:	25 Bank Street London E14 5LE United Kingdom
Attention:	Loan Operations
Fax:	+44 (0) 207 067 9196
Email:	loanops@lehman.com

SIGNED by PIERRE KAHN
on behalf of LEHMAN BROTHERS
BANKHAUS AG, LONDON BRANCH and
thereby executed by it as a **DEED** _____

MORGAN STANLEY BANK INTERNATIONAL LIMITED

Address:	25 Cabot Square Canary Wharf London E14 4QA England
Attention:	Dorothea Soggard / Matt Ford
Fax:	+44 (0) 207 6773089
Email:	Loandocs@morganstanley.com / LPGOPS@morganstanley.com

SIGNED by RAMON WALSH

or and on behalf of MORGAN STANLEY BANK INTERNATIONAL LIMITED in the presence of: _____

MORGAN STANLEY SENIOR FUNDING INC.

Address:	1585 Broadway New York NY 10036 USA
Cc:	Morgan Stanley Bank International Limited
Address:	25 Cabot Square Canary Wharf London E14 4QA England
Attention:	Dorothea Soggard / Matt Ford
Fax:	+44 (0) 207 6773089
Email:	Loandocs@morganstanley.com / LPGOPS@morganstanley.com

SIGNED by RAMON WALSH

on behalf of MORGAN STANLEY SENIOR FUNDING INC. and thereby executed by it as a **DEED** _____

The Mezzanine Lenders

BNP PARIBAS, LONDON BRANCH

Address: 10 Harewood Avenue
NW1 6AA
United Kingdom

Attention: Claire Guglielmi

Fax: +44 (207) 595 5019

Email: claire.guglielmi@bnpparibas.com

SIGNED by YANNICK JUNG
on behalf of BNP PARIBAS, LONDON
BRANCH and thereby executed by it as a
DEED

CREDIT AGRICOLE LUXEMBOURG

Address: 39, allée Scheffer
L-2520 Luxembourg
Luxembourg

Attention: Mr. Arnaud Decrulle

Fax: +352 4767 4080

Email: arnaud.decrulle@eu.ca-investorservices.com

SIGNED by DAVID MAISANT
on behalf of CREDIT AGRICOLE
LUXEMBOURG and thereby executed by
it as a **DEED**

VALERIE DOZE

LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH

Address:	25 Bank Street London E14 5LE United Kingdom
Attention:	Loan Operations
Fax:	+44 (0) 207 067 9196
Email:	loanops@lehman.com

SIGNED by PIERRE KAHN

on behalf of LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH and thereby executed by it as a **DEED** _____

MORGAN STANLEY BANK INTERNATIONAL LIMITED

Address:	25 Cabot Square Canary Wharf London E14 4QA England
Attention:	Dorothea Soggard / Matt Ford
Fax:	+44 (0) 207 6773089
Email:	Loandocs@morganstanley.com / LPGOPS@morganstanley.com

SIGNED by RAMON WALSH
for and on behalf of MORGAN STANLEY BANK INTERNATIONAL LIMITED in the presence of: PIERRE BOYER DE LATOUR _____

MORGAN STANLEY SENIOR FUNDING INC.

Address:	1585 Broadway New York NY 10036 USA
Cc:	Morgan Stanley Bank International Limited
Address:	25 Cabot Square Canary Wharf London E14 4QA England
Attention:	Dorothea Soggard / Matt Ford
Fax:	+44 (0) 207 6773089
Email:	Loandocs@morganstanley.com / LPGOPS@morganstanley.com

SIGNED by RAMON WALSH

on behalf of MORGAN STANLEY SENIOR FUNDING INC. and thereby executed by it as a **DEED**

ANNEX C

FORM OF C (ADDITIONAL SENIOR FINANCING) FACILITY VOTING UNDERTAKING

THIS UNDERTAKING is signed on [ ]:

by [ ], a **[*Describe entity*]** (the "**C (Additional Senior Financing) Facility Lender**") and is in favour of the Finance Parties (other than the C (Additional Senior Financing) Facility Lenders) from time to time.

WITNESSES as follows:

BACKGROUND

This Undertaking sets out the manner in which the C (Additional Senior Financing) Facility Lender will exercise its voting rights in respect of any request for a consent, waiver or amendment or any other vote under any Finance Document.

DEFINITIONS AND INTERPRETATION

(a) Capitalised terms used in this Undertaking have the same meanings given to them in the Senior Facilities Agreement dated 6 June 2006 as amended and restated from time to time between, among others, YPSO Holding S.A. as the Parent and BNP Paribas as Agent and Security Agent (the "**Senior Facilities Agreement**").

(b) The provisions of clause 1.3 (*Construction*) of the Senior Facilities Agreement apply to this Undertaking as though they were set out in full in this Undertaking, except that references to the Senior Facilities Agreement are to be construed as references to this Undertaking.

(c) This is a C (Additional Senior Financing) Facility Voting Undertaking.

1. NON-ENFORCEMENT VOTING REQUEST

(a) The C (Additional Senior Financing) Facility Lender shall be permitted to vote in relation to amendments to the partial payments waterfall (dealing with the situation where a payment shortfall occurs under the Senior Facilities Agreement and the Lenders are voting to change the order in which any resulting losses are shared) and resignation of the Agent and/or Security Agent and replacement thereof, in which case the C (Additional Senior Financing) Facility Lender will be entitled to exercise voting rights freely with the other Lenders on a Euro for Euro basis (and in accordance with the split of votes of the Refinancing Creditors under the relevant Refinancing Debt).

(b) In the case of any voting request which relates to the rights or obligations of the C (Additional Senior Financing) Facility Lender (in its capacity as such, including, without limitation, the rights of the C (Additional Senior Financing) Facility Lender under Clauses 22.6 (b) (*Cross-default*), 22.18 (d) (*Acceleration*) and 22.19 (c) (*Repayment on Demand*)) under or in respect of a C (Additional Senior Financing) Facility tranche, the consent of the C (Additional Senior Financing) Facility Lender shall be required. For the avoidance of doubt, the C (Additional Senior Financing) Facility Lender shall also be entitled to exercise its rights under Clauses 22.6 (b) (*Cross-default*), 22.18 (d) (*Acceleration*) and 22.19 (c) (*Repayment on Demand*).

2. ENFORCEMENT VOTING REQUEST

In respect of any directions or instructions to the Agent or the Security Agent in relation to any enforcement action under the Finance Documents following the taking of action under any of the acceleration provisions or any other enforcement of Security under the Security Documents:

(a) where the aggregate amount of the C (Additional Senior Financing) Facility Commitments of all the C (Additional Senior Financing) Facility Lenders is less than 40% or greater than 66.⅔% of the aggregate amount of all Commitments under the Senior Facilities Agreement eligible to be voted, the C (Additional Senior Financing) Facility Lender shall be entitled to vote on that enforcement action with the other Lenders on a Euro for Euro basis (and in accordance with the split of votes of the Refinancing Creditors under the relevant Refinancing Debt); and

(b) where the aggregate amount of the C (Additional Senior Financing) Facility Commitments of all the C (Additional Senior Financing) Facility Lenders is between 40% and 66.⅔% of the aggregate amount of all Commitments under the Senior Facilities Agreement eligible to be voted, the C (Additional Senior Financing) Facility Lender and any other C (Additional Senior Financing) Facility Lenders will (together) be entitled to exercise voting rights freely up to 40% with the other Lenders on a Euro for Euro basis (and in accordance with the split of votes of the Refinancing Creditors under the relevant Refinancing Debt) and the excess above 40% will be deemed voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, pro rata to the acceptance, rejection or abstention by the other Lenders (excluding the C (Additional Senior Financing) Facility Lenders).

3. C (ADDITIONAL SENIOR FINANCING) FACILITY LENDER'S RIGHT TO VOTE

(a) Except as otherwise provided under paragraphs 1 or 2 above, the C (Additional Senior Financing) Facility Lender authorises the Agent to treat its voting entitlement as having been split and voted (as an acceptance, rejection or abstention) in the same proportions as the votes of the other Lenders (excluding the C (Additional Senior Financing) Facility Lenders) including as a result of the operation of Clause 38.6 (*Non-responding Lender*). For the avoidance of doubt, where all the other Lenders have voted in favour of any proposal which requires all Lender consent, the C (Additional Senior Financing) Facility Lender shall be deemed to have voted in favour of the proposal (unless it is a proposal falling under paragraph (1) or (2) above).

(b) When it is permitted to exercise voting rights freely under paragraphs (1) or (2) above, the C (Additional Senior Financing) Facility Lender shall do so in the same proportions as the Refinancing Creditors under the relevant Refinancing Debt have done.

4. AMENDMENTS AND WAIVERS

(a) No amendment or waiver of this Undertaking may be made without the agreement of the C (Additional Senior Financing) Facility Lender and the Agent (acting on the instructions of the Instructing Group).

(b) Except for the Finance Parties (other than the C (Additional Senior Financing) Facility Lenders), a person who is not a party to this Undertaking has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Undertaking.

(c) Other than the consent of the Agent (acting on the instructions of the Instructing Group), no consent of any other Finance Party is required for an amendment or waiver of this Undertaking.

5. COUNTERPARTS

This Undertaking may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. GOVERNING LAW

This Undertaking and any non-contractual obligations arising out of or in connection with it are governed by English law.

7. ENFORCEMENT

Each of the parties hereto irrevocably agrees for the benefit of each of the Finance Parties that the Courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Undertaking (including a dispute regarding the existence, validity or termination of this Undertaking) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

Signed in [ ] on [ ] in [ ] originals

[C (Additional Senior Financing) Facility Lender]

By:

Accepted by:

Agent

[ ]

By:

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€225,000,000 8¾% Senior Secured Notes due 2019

€275,000,000 Senior Secured Floating Rate Notes due 2018

OFFERING MEMORANDUM

October 18, 2012

Joint Bookrunners

J.P. Morgan **BNP PARIBAS** **Citigroup** **Crédit Agricole CIB** **Credit Suisse**

Deutsche Bank **Goldman Sachs International** **HSBC** **Morgan Stanley**

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