



**Matterhorn Mobile S.A. and
Matterhorn Mobile Holdings S.A.**
to acquire
Orange Communications SA

CHF 1,122,000,000 (equivalent)
CHF 450,000,000 6.75% Fixed Rate Senior Secured Notes due 2019
€ 150,000,000 Floating Rate Senior Secured Notes due 2019
€ 225,000,000 8.25% Senior Notes due 2020
€ 180,000,000 Additional Floating Rate Senior Secured Notes due 2019

Matterhorn Mobile S.A. (the "Senior Secured Notes Issuer") is offering € 180,000,000 aggregate principal amount of its additional Floating Rate Senior Secured Notes due 2019 (the "Additional Floating Rate Senior Secured Notes"). The Additional Floating Rate Senior Secured Notes are being offered as additional Senior Secured Notes under an indenture to be dated as of February 10, 2012 (the "Senior Secured Indenture") pursuant to which the Issuer has issued on February 10, 2012, € 150,000,000 aggregate principal amount of its original Floating Rate Senior Secured Notes due 2019 (the "Original Floating Rate Senior Secured Notes" and together with the Additional Floating Rate Senior Secured Notes, the "Floating Rate Senior Secured Notes") and CHF 450,000,000 aggregate principal amount of its 6.75% Fixed Rate Senior Secured Notes due 2019 (the "Fixed Rate Senior Secured Notes" and together with the Original Floating Rate Senior Secured Notes, the "Original Senior Secured Notes", the Original Senior Secured Notes together with the Additional Floating Rate Senior Secured Notes, the "Senior Secured Notes"). The Original Senior Secured Notes and the Senior Notes (as defined below) were offered pursuant to a separate prospectus dated March 23, 2012 (the "Original Prospectus").

This Additional Floating Rate Senior Secured Notes prospectus (the "Prospectus") includes the Original Prospectus, which is attached hereto and which forms a part hereof. This document (i) supersedes the information in the Original Prospectus to the extent inconsistent with the information in the Original Prospectus and (ii) supplements the information contained in the Original Prospectus so that any statement contained in the Original Prospectus will be deemed to be modified to the extent that a statement herein modifies such statement. Unless otherwise indicated, terms used but not defined herein have the meaning assigned to such terms in the Original Prospectus.

The Senior Secured Notes and the €225,000,000 aggregate principal amount of 8.25% Senior Notes due 2020 (the "Senior Notes") offered by Matterhorn Mobile Holdings S.A. (the "Senior Notes Issuer"), the sole shareholder of the Senior Secured Notes Issuer, are collectively referred to herein as the "Notes" unless the context otherwise requires, and the Senior Secured Notes Issuer and the Senior Notes Issuer are collectively referred to herein as the "Issuers." The Notes are being offered as part of the financing for the proposed acquisition (the "Acquisition") of Orange Communications SA (the "Company") by the Senior Secured Notes Issuer, an entity beneficially owned by funds or limited partnerships managed or advised by Apax Partners LLP.

The covenants, events of default and other terms applicable to the Additional Floating Rate Senior Secured Notes will be identical to those applicable to the Original Floating Rate Senior Secured Notes contained in the Original Prospectus under the heading "Description of the Senior Secured Notes." The Additional Floating Rate Senior Secured Notes, the Original Floating Rate Senior Secured Notes and the Fixed Rate Senior Secured Notes will be treated as a single class for all purposes under the Senior Secured Indenture, except that if any amendment or waiver or other modification will only affect the Floating Rate Senior Secured Notes, only the consent of the holders of the then outstanding Floating Rate Senior Secured Notes, and not the consent of all holders of the Senior Secured Notes, will be required in accordance with the thresholds set forth in the Original Prospectus under the heading "Description of the Senior Secured Notes."

The Senior Secured Notes Issuer will pay interest on the Floating Rate Senior Secured Notes quarterly in arrears on each February 15, May 15, August 15 and November 15, commencing May 15, 2012. Prior to February 15, 2013, the Senior Secured Notes Issuer will be entitled, at its option, to redeem all or a portion of the Floating Rate Senior Secured Notes by paying a "make-whole" premium. At any time on or after February 15, 2013, the Senior Secured Notes Issuer may redeem all or part of the Floating Rate Senior Secured Notes by paying a specified redemption price. Upon certain events defined as constituting a change of control, the Senior Secured Notes Issuer may be required to make an offer to purchase the Floating Rate Senior Secured Notes. In the event of certain developments affecting taxation, the Senior Secured Notes Issuer may redeem all, but not less than all, of the Floating Rate Senior Secured Notes.

Pending the consummation of the Acquisition, the initial purchasers will deposit the gross proceeds from the offering of the Additional Floating Rate Senior Secured Notes less certain deductions with respect to fees and expenses into a segregated escrow account, for the benefit of the holders of the Additional Floating Rate Senior Secured Notes, pursuant to an escrow agreement substantially similar to the Senior Secured Escrow Agreement (as defined in the Original Prospectus). The release of escrow proceeds will be subject to the satisfaction of certain conditions, including the closing of the Acquisition. The consummation of the Acquisition is subject to certain conditions, including regulatory approval. If the Acquisition is not consummated prior to May 10, 2012 and upon the occurrence of certain other events, the Notes, including the Additional Floating Rate Senior Secured Notes, will be subject to a special mandatory redemption. The special mandatory redemption price will be a price equal to 100.0% of the issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the issue date for the Notes to the redemption date. See "Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption" and "Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption."

The Additional Floating Rate Senior Secured Notes will be senior obligations of the Senior Secured Notes Issuer and will be guaranteed on a senior basis by the Senior Notes Issuer as of February 16, 2012 (the “Issue Date”) and by the Company and Orange Network SA within 60 days of the date on which the proceeds of the offering of the Additional Floating Senior Secured Notes are released from the Additional Floating Rate Senior Secured Notes escrow account concurrently with the consummation of the Acquisition (the “Completion Date”).

The Additional Floating Rate Senior Secured Notes will be secured by first-ranking security interests over the same assets that secure the Original Senior Secured Notes and the Senior Facilities (as defined in the Original Prospectus), subject to the operation of the Agreed Security Principles (as defined in the Original Prospectus).

For the first 40 days after issuance the Additional Floating Rate Senior Secured Notes issued pursuant to Regulation S under the U.S. Securities Act will have temporary ISIN and Common Code numbers. Thereafter, the Additional Floating Rate Senior Secured Notes issued pursuant to Regulation S under the U.S. Securities Act will bear the same ISIN and Common Code numbers as the Original Floating Rate Senior Secured Notes. The Additional Floating Rate Senior Secured Notes will be delivered through Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream”) on or about February 16, 2012.

This Prospectus includes information on the terms of the Notes and the guarantees of the Notes, including redemption and repurchase prices, security, covenants and transfer restrictions.

Application has been made to list the Additional Floating Rate Senior Secured Notes on the Official List of the Luxembourg Stock Exchange, together with the Fixed Rate Senior Secured Notes and the Senior Notes and for trading on the Euro MTF market of the Luxembourg Stock Exchange. The Notes are offered to a limited number of qualified investors within the meaning of the Luxembourg Law of July 10, 2005 on prospectuses for securities, in all cases under circumstances designed to preclude a distribution which would be other than a private placement.

Investing in the Notes involves a high degree of risk. See “Risk Factors” beginning on page 29 of the Original Prospectus.

Additional Floating Rate Senior Secured Notes Price: 100.00% plus accrued interest from February 10, 2012.

The Additional Floating Rate Senior Secured Notes and the Note Guarantees (as defined in the Original Prospectus) have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the laws of any other jurisdiction. The Additional Floating Rate Senior Secured Notes and the Note Guarantees may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act (“Rule 144A”) and to certain persons in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”). You are hereby notified that sellers of the Notes and the Note Guarantees may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See “Notice to Investors” and “Transfer Restrictions” for additional information about eligible offerees and transfer restrictions.

Joint Global Coordinators and Bookrunning Managers

Credit Suisse

Deutsche Bank

Joint Bookrunners

Citigroup

J.P. Morgan

Morgan Stanley

UBS Investment Bank

The date of this prospectus is March 23, 2012.

Issuer	Matterhorn Mobile S.A.
Notes Offered	Additional Floating Rate Senior Secured Notes
Aggregate Principal Amount:	€ 180,000,000
Issue Price:	100.00%, plus accrued interest from February 10, 2012
Net proceeds:	€ 175,950,000 (equivalent to CHF 212,899, 500)
Maturity:	May 15, 2019
Coupon:	Three-month EURIBOR plus 525bps, reset quarterly
Yield to maturity:	Not applicable
Spread to benchmark:	Not applicable
Benchmark:	Not applicable
Interest rate index:	Three-month EURIBOR
Initial Interest Period	From February 10, 2012 to (but excluding) May 15, 2012
Interest payment dates:	February 15, May 15, August 15 and November 15, commencing May 15, 2012
Interest rate determination dates:	Quarterly on the second business day prior to the applicable interest payment date, except that the initial interest determination date was February 8, 2012.
Day count convention:	Interest will be calculated on the basis of the actual amounts of days in the Interest Period concerned divided by 360
Interest record dates:	February 1, May 1, August 1 and November 1
First call date:	February 15, 2013
Make-whole call:	At any time prior to February 15, 2013, at 100% of the principal amount plus the relevant Floating Rate Applicable Premium.
Redemption Prices:	February 15, 2013 @ 102.00%
	February 15, 2014 @ 101.00%
	February 15, 2015 and thereafter @ 100.00%
Redemption with proceeds of equity offering:	Not applicable
Redemption upon certain exchange transactions:	Not applicable

Special Mandatory redemption:	Special mandatory redemption at a price equal to 100% of the issue price of the Additional Floating Rate Senior Secured Notes, plus accrued but unpaid interest and Additional Amounts, if any, from the February 10, 2012 to the special mandatory redemption date in the circumstances specified in the Original Prospectus.		
Change of control:	Put @ at 101% of principal plus accrued interest		
Trade date:	February 9, 2012		
Settlement:	February 16, 2012 (T+5)		
Identification numbers:			
Reg S Common Code:	074706312 until 40 days after the issue date of the Regulation S Additional Floating Rate Senior Secured Notes 074412793 after 40 days after the issue date of the Regulation S Additional Floating Rate Senior Secured Notes		
Reg S ISIN:	XS0747063120 until 40 days after the issue date of the Regulation S Additional Floating Rate Senior Secured Notes XS0744127936 after 40 days after the issue date of the Regulation S Additional Floating Rate Senior Secured Notes		
Rule 144A Common Code:	074444253		
Rule 144A ISIN:	XS0744442533		
Denominations:	€100,000 with €1,000 increments in excess thereof		
Delivery:	Euroclear / Clearstream		
Listing / Trading:	Application has been made to list the Additional Floating Rate Senior Secured Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market		
Initial purchasers:	<u>Joint Global Coordinators and Bookrunning Managers:</u> Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch <u>Joint Bookrunners:</u> Citigroup Global Markets Limited J.P. Morgan Securities Ltd. Morgan Stanley & Co. International plc UBS Limited		

Sources and Uses for the Transactions

The expected estimated sources and uses of the funds necessary to consummate the Acquisition set forth on pages 8 and 9 of the Original Prospectus under the heading “*Summary—Sources and Uses for the Transactions*” is updated as set forth below. Actual amounts will vary from estimated amounts depending on several factors, including differences with respect to estimates of fees and expenses and the actual Completion Date.

Sources of Funds	(CHF in millions)	Uses of Funds	
Borrowing under the Senior Facilities Agreement ⁽¹⁾			
Term Loan A Facility ⁽²⁾	225	Purchase price ⁽³⁾	1,942
		Total transaction costs ⁽⁴⁾	104
Fixed Rate Senior Secured Notes offered hereby.....	450	Cash on balance sheet ⁽⁵⁾	64
Floating Rate Senior Secured Notes offered hereby.....	182		
Additional Floating Rate Senior Secured Notes offered hereby.....	218		
Senior Notes offered hereby	272		
Equity contribution.....	763		
Total sources	2,110	Total uses	2,110

- (1) The Senior Secured Notes Issuer entered into the Senior Facilities Agreement dated January 30, 2012, which provides for the Term Loan A Facility of a maximum amount of CHF 225.0 million, the Term Loan B1 Facility of a maximum amount of CHF 275.0 million, the Term Loan B2 Facility of a maximum amount of CHF 125.0 million, the Capex/Acquisition Facility and the Revolving Credit Facility. See “*Description of Certain Financing Arrangements*” in the Original Prospectus. The entire Term Loan B1 Facility, Term Loan B2 Facility and Capex/Acquisition Facility will be cancelled on or prior to the Completion Date to give effect to the issuance of the Notes. The Revolving Credit Facility is not expected to be drawn as of the Completion Date.
- (2) It is currently expected that the Term Loan A Facility under the Senior Facilities Agreement may remain undrawn as of the Completion Date but may be drawn thereafter in connection with the settlement of any actual or estimated potential liabilities of the Company, including in respect of the price payable for any radio frequencies awarded to it as a result of the Swiss spectrum auction. These amounts are shown in the table above as if they were fully drawn as of the Completion Date.
- (3) The purchase price represents (i) the consideration for all of the share capital of Orange to be paid to the Seller, (ii) amounts of actual or estimated potential liabilities of the Company, including with respect to the spectrum auction, and (iii) amounts to be used for the repayment of the remainder of the FT Intercompany Loans outstanding on the Completion Date, subject to further adjustments as provided under the Acquisition Agreement. See “*Risk Factors—Risks Related to Our Market and Our Business—Orange’s licenses and permits to provide mobile services have finite terms and are subject to an auction process in Switzerland scheduled to take place in the first quarter of 2012. The results of the auction are not expected to be made public until after the completion of the Offering*” in the Original Prospectus.
- (4) Estimated fees and expenses associated with the Acquisition and the Financing, including original issue discount and commitment, placement, financial advisory and other transaction costs and professional fees.
- (5) This amount corresponds to the prefunding of CHF 64.0 million, to be left on the balance sheet on the Completion Date, for future payments of non-recurring expenses related to the separation with France Telecom, including brand license fees.

Other Financial Data

Certain information set forth on page 26 of the Original Prospectus under the caption “*Summary Historical Financial Information and Other Data – Other Financial Information*” is updated as set out below.

	Last twelve months ended September 30,
	2011
	(Unaudited)
	(CHF in thousands except ratios)
<i>Pro forma</i> cash interest expense ⁱ	90,105
As adjusted total debt ⁱⁱ	1,347,074
As adjusted total net debt ⁱⁱⁱ	1,283,074
Ratio of Adjusted EBITDA to <i>pro forma</i> cash interest expense^{i, iv}	
.....	3.8x
Ratio of total “as adjusted” total debt to Adjusted EBITDA ^{ii, iv}	4.0x
Ratio of “as adjusted” total net debt to Adjusted EBITDA^{iii, iv}	
.....	3.8 x

- i *Pro forma* cash interest expense represents the interest expense in connection with debt incurred under the Senior Facilities and Notes (at a blended rate of 6.7%), excluding the capital lease interest expense, assuming the Transactions had occurred on October 1, 2010. Each 0.125% change in interest rates set forth above and applicable to floating rate debt would change the applicable annual *pro forma* cash interest expense by CHF 0.8 million.
- ii See “*Capitalization*” herein.
- iii As adjusted total debt minus cash and cash equivalents. See “*Capitalization*” herein.
- iv EBITDA and Adjusted EBITDA are non-GAAP measures. We define EBITDA as net income plus net financial expenses and depreciation, amortization and impairment. We define Adjusted EBITDA as EBITDA adjusted for corporate and brand fees and restructuring and transaction costs. This information is not and should not be viewed as a substitute for financial measures under IFRS. EBITDA and Adjusted EBITDA are not measures of performance or liquidity under IFRS and should not be considered by investors in isolation from, or as a substitute for, or a measure of, profit, or as an indicator of our operating performance or cash flows from operating activities as determined in accordance with IFRS. We have presented this supplemental non-GAAP information because we believe that it is a useful indicator of our ability to incur and service our indebtedness and can assist investors to evaluate our business. EBITDA, Adjusted EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing EBITDA and Adjusted EBITDA as reported by us to similar measures reported by other companies. We encourage investors to evaluate the adjustments made to calculate Adjusted EBITDA and form their own view as to the appropriateness to exclude or include these adjustments.

EBITDA and Adjusted EBITDA as presented here differ from the definition of “Consolidated EBITDA” contained herein under “*Description of the Senior Secured Notes*” and “*Description of the Senior Notes*” and in the Indentures.

The following is a reconciliation of EBITDA and Adjusted EBITDA for each of the period presented below:

	Last twelve months ended September 30,
	2011
	(Unaudited) (CHF in thousands)
Net income	97,224
Income tax	9,303
Financial income	(3,001)
Financial expenses	19,105
Depreciation, amortization and impairment	189,038
EBITDA	311,669
Corporate and brand fees ^(a)	28,788
Restructuring and transaction costs	(655)
Adjusted EBITDA	339,802

- (a) This item relates to corporate and brand fees which have historically been paid by the Company to the FT Group under agreements that will terminate as of the Completion Date. Management believes that the costs associated with the corporate fee will not be recurring after the Completion Date. In addition, under the Brand Licensing Agreement, estimated brand fees to be paid to the FT Group for eighteen months after the Completion Date will be pre-funded as of the Completion Date. See “*Sources and Uses for the Transactions*” herein. This item does not include any management fee that may be payable to Apax after the Completion Date.

Capitalization

The information set forth on page 65 of the Original Prospectus under the caption “*Capitalization*” is updated by this Supplement as set out below.

	As of September 30, 2011			
	Historical	Adjustments	As Adjusted	As Adjusted
	(Unaudited) (CHF in thousands)			
Cash and cash equivalents⁽¹⁾	372,466	(308,466)	64,000	64,000
Capital leases	74	—	74	74
Term Loan A Facility ⁽²⁾	—	225,000	225,000	225,000
Revolving Credit Facility	—	—	—	—
Fixed Rate Senior Secured Notes	—	450,000	450,000	450,000
Original Floating Rate Senior Secured Notes	—	182,000	182,000	182,000
Additional Floating Rate Senior Secured Notes offered hereby	—	218,000	218,000	218,000
Total senior secured debt	74	1,075,000	1,075,074	1,075,074
Senior Notes	—	272,000	272,000	—

As of September 30, 2011

	Historical	Adjustments	As Adjusted	As Adjusted
			(Unaudited)	
			(CHF in thousands)	
Total debt	74	1,347,000	1,347,074	1,075,074
Other financial liabilities				
Derivative liabilities ⁽³⁾	2,844	—	2,844	2,844
Shareholder loan ⁽⁴⁾	919,778	(919,778)	—	—
Capitalized transaction costs ⁽⁵⁾	—	(61,800)	(61,800)	(61,800)
Total financial liabilities	922,696	365,422	1,288,118	1,016,018
Total equity⁽⁶⁾	210,311	510,489	720,800	720,800
Capitalization	1,133,007	875,911	2,008,918	1,736,818

- (1) The amount of CHF 372.5 million of cash and cash equivalents as of September 30, 2011 on an actual basis will be used in its entirety on or prior the Completion Date to repay a portion the FT Intercompany Loans. The amount of CHF 71.0 million of cash and cash equivalents on an as adjusted basis as of September 30, 2011 represents cash on the balance sheet for the purpose of prefunding future payments of non-recurring expenses related to the separation with France Telecom, including brand license fees.
- (2) The Senior Secured Notes Issuer entered into the Senior Facilities Agreement dated January 30, 2012, which provides for the Term Loan A Facility of a maximum amount of CHF 225.0 million, the Term Loan B1 Facility of a maximum amount of CHF 275.0 million, the Term Loan B2 Facility of a maximum amount of CHF 125.0 million, the Capex/Acquisition Facility and the Revolving Credit Facility. See “*Description of Certain Financing Arrangements*” in the Original Prospectus. The entire Term Loan B1 Facility, the Term Loan B2 Facility and Capex/Acquisition Facility will be cancelled on or prior to the Completion Date to give effect to the issuance of the Notes. It is currently expected that the Term Loan A Facility under the Senior Facilities Agreement may remain undrawn as of the Completion Date, but may be drawn after the Completion Date in connection with the settlement of any actual or estimated potential liabilities of the Company, including in respect of the price payable for any radio frequencies awarded to it as a result of the Swiss spectrum auction. These amounts are shown as fully drawn in the “As Adjusted” column in the table above. It is currently expected that the Revolving Credit Facility will not be drawn as of the Completion Date.
- (3) Represents liabilities related to hedging operations incurred in the normal course of business.
- (4) Represents amounts due under the FT Intercompany Loans of CHF 917.0 million principal amount, which includes CHF 2.8 million accrued interest that will be refinanced in full at the Completion Date.
- (5) Represents the portion of the estimated transaction costs relating to debt issuance and hedging that will be capitalized.
- (6) Represents CHF 763.0 million of Equity Contribution from Olympus Midco to the Senior Notes Issuer, less CHF 42.2 million of the non capitalized portion of the transaction costs.

Plan of Distribution

The information set forth on pages 303, 304 and 305 of the Original Prospectus under the caption “*Plan of Distribution*” is updated as set out below.

The Senior Secured Notes Issuer and Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Citigroup Global Markets Limited, J.P. Morgan Securities, Ltd., Morgan Stanley & Co. International plc and UBS Limited will enter into a purchase agreement dated February 2, 2012, with respect to the Additional Floating Rate Senior Secured Notes (the “Additional Floating Rate Senior Secured Notes Purchase Agreement”), similar in all material respects with the Senior Secured Notes Purchase Agreement and the Senior Notes Purchase Agreement (both as defined in the Original Prospectus), and pursuant to which the Senior Secured Notes Issuer will agreed to sell to the Initial Purchasers, and the Initial Purchasers will agreed to purchase from the Senior Secured Notes Issuer, the entire aggregate principal amount of the Additional Floating Rate Senior Secured Notes.

The Additional Floating Rate Senior Secured Notes will be distributed in a manner consistent with the Original Senior Secured Notes and the Senior Notes as described in the Original Prospectus under the caption “*Plan of Distribution*.”

Tax

TO COMPLY WITH INTERNAL REVENUE SERVICE CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY PROSPECTIVE INVESTORS, FOR THE PURPOSES OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"); (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING BY US OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR

Pre-Issuance Accrued Interest

A portion of the initial offering price for the Additional Floating Rate Senior Secured Notes will be attributable to interest accrued prior to the issue date of the notes ("Pre-Issuance Accrued Interest"). For U.S. federal income tax purposes, you may treat the issue price of your Additional Floating Rate Senior Secured Notes as having been reduced by such Pre-Issuance Accrued Interest. If your notes are so treated, a portion of the first stated interest payment on the Additional Floating Rate Senior Secured Notes equal to the Pre-Issuance Accrued Interest will be treated as a non-taxable return of such Pre-Issuance Accrued Interest and, accordingly, will not be taxable as interest on such notes.

Holders should read the discussion in the Original Prospectus under the caption "*Tax—Certain U.S. Federal Income Tax Considerations.*"

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This communication is intended for the sole use of the person to whom it is provided by the sender. The Notes and the Note Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may only be sold to qualified institutional buyers pursuant to Rule 144A or pursuant to another applicable exemption from registration.

ANY DISCLAIMERS OR OTHER NOTICES THAT MAY APPEAR BELOW ARE NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMERS OR OTHER NOTICES WERE AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT VIA BLOOMBERG OR ANOTHER EMAIL SYSTEM.



Matterhorn Mobile S.A. and Matterhorn Mobile Holdings S.A.

to acquire

Orange Communications SA

CHF 904,000,000

CHF 450,000,000 6.75% Fixed Rate Senior Secured Notes due 2019

€150,000,000 Floating Rate Senior Secured Notes due 2019

€225,000,000 8.25% Senior Notes due 2020

Matterhorn Mobile S.A. (the “Senior Secured Notes Issuer”) is offering CHF 450,000,000 aggregate principal amount of its 6.75% Fixed Rate Senior Secured Notes due 2019 (the “Fixed Rate Senior Secured Notes”) and €150,000,000 aggregate principal amount of its Floating Rate Senior Secured Notes due 2019 (the “Floating Rate Senior Secured Notes”) and, together with the Fixed Rate Senior Secured Notes, the “Senior Secured Notes”). Matterhorn Mobile Holdings S.A. (the “Senior Notes Issuer”) is offering €225,000,000 aggregate principal amount of its 8.25% Senior Notes due 2020 (the “Senior Notes”). The Senior Secured Notes and the Senior Notes are collectively referred to herein as the “Notes” unless the context otherwise requires, and the Senior Secured Notes Issuer and the Senior Notes Issuer are collectively referred to herein as the “Issuers.” The Notes are being offered as part of the financing for the proposed acquisition (the “Acquisition”) of Orange Communications SA (the “Company”) by the Senior Secured Notes Issuer, an entity beneficially owned by funds or limited partnerships managed or advised by Apax Partners LLP.

The Senior Secured Notes Issuer will pay interest on the Fixed Rate Senior Secured Notes semi-annually in arrears on each February 15 and August 15, commencing on August 15, 2012. Prior to February 15, 2015, the Senior Secured Notes Issuer will be entitled, at its option, to redeem all or a portion of the Fixed Rate Senior Secured Notes by paying a “make-whole” premium. At any time on or after February 15, 2015, the Senior Secured Notes Issuer may redeem all or part of the Fixed Rate Senior Secured Notes by paying a specified redemption price. In addition, prior to February 15, 2015, the Senior Secured Notes Issuer may redeem at its option no more than 40% of the Fixed Rate Senior Secured Notes with the net cash proceeds from certain equity offerings. In addition, in the event of certain exchange transactions occurring, the Senior Secured Notes Issuer will be entitled to redeem all, but not less than all, of the Fixed Rate Senior Secured Notes outstanding after such transactions at the prices specified herein. Upon certain events defined as constituting a change of control, the Senior Secured Notes Issuer may be required to make an offer to purchase the Fixed Rate Senior Secured Notes. In the event of certain developments affecting taxation, the Senior Secured Notes Issuer may redeem all, but not less than all, of the Fixed Rate Senior Secured Notes.

The Senior Secured Notes Issuer will pay interest on the Floating Rate Senior Secured Notes quarterly in arrears on each February 15, May 15, August 15 and November 15, commencing May 15, 2012. Prior to February 15, 2013, the Senior Secured Notes Issuer will be entitled, at its option, to redeem all or a portion of the Floating Rate Senior Secured Notes by paying a “make-whole” premium. At any time on or after February 15, 2013, the Senior Secured Notes Issuer may redeem all or part of the Floating Rate Senior Secured Notes by paying a specified redemption price. Upon certain events defined as constituting a change of control, the Senior Secured Notes Issuer may be required to make an offer to purchase the Floating Rate Senior Secured Notes. In the event of certain developments affecting taxation, the Senior Secured Notes Issuer may redeem all, but not less than all, of the Floating Rate Senior Secured Notes.

The Senior Notes Issuer will pay interest on the Senior Notes semi-annually in arrears on each February 15 and August 15, commencing on August 15, 2012. Prior to February 15, 2016, the Senior Notes Issuer will be entitled, at its option, to redeem all or a portion of the Senior Notes by paying a “make-whole” premium. At any time on or after February 15, 2016, the Senior Notes Issuer may redeem all or part of the Senior Notes by paying a specified redemption price. In addition, prior to February 15, 2015, the Senior Notes Issuer may redeem at its option no more than 40% of the Senior Notes with the net cash proceeds from certain equity offerings. In addition, in the event of certain exchange transactions occurring, the Senior Notes Issuer will be entitled to redeem all, but not less than all, of the Senior Notes outstanding after such transactions at the prices specified herein. Upon certain events defined as constituting a change of control, the Senior Notes Issuer may be required to make an offer to purchase the Senior Notes. In the event of certain developments affecting taxation, the Senior Notes Issuer may redeem all, but not less than all, of the Senior Notes.

Pending the consummation of the Acquisition, the initial purchasers will deposit the gross proceeds from the offering of each series of the Notes less certain deductions with respect to fees and expenses into three segregated escrow accounts, in each case, for the benefit of the holders of the relevant series of Notes. The release of escrow proceeds will be subject to the satisfaction of certain conditions, including the closing of the Acquisition. The consummation of the Acquisition is subject to certain conditions, including regulatory approval. If the Acquisition is not consummated prior to May 10, 2012 and upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be a price equal to 100.0% of the issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the issue date for the Notes to the redemption date. See “Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption” and “Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption.”

Each series of the Senior Secured Notes will be senior obligations of the Senior Secured Notes Issuer and will be guaranteed on a senior basis by the Senior Notes Issuer as of February 10, 2012 (the “Issue Date”) and by the Company and Orange Network SA within 60 days of the date on which the proceeds of the offering of the Senior Secured Notes are released from the Senior Secured Notes escrow accounts concurrently with the consummation of the Acquisition (the “Completion Date”). The Senior Notes will be senior obligations of the Senior Notes Issuer and will be guaranteed on a senior subordinated basis by the Senior Secured Notes Issuer as of the Issue Date and by the Company and Orange Network SA within 60 days of the Completion Date.

The Senior Secured Notes will be secured by first-ranking security interests over the same assets that secure the Senior Facilities (as defined herein), subject to the operation of the Agreed Security Principles. The Senior Notes will be secured by second-ranking security interests over the shares of the Senior Secured Notes Issuer and the loans made by the Senior Notes Issuer to the Senior Secured Notes Issuer on the Completion Date, subject to the operation of the Agreed Security Principles. See “Summary—The Offerings—Security.”

The Notes will be represented on issue by global notes, which will be delivered through Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream”) on or about February 10, 2012.

This Prospectus includes information on the terms of the Notes and the guarantees of the Notes, including redemption and repurchase prices, security, covenants and transfer restrictions.

Application has been made to list the Fixed Rate Senior Secured Notes, the Floating Rate Senior Secured Notes and the Senior Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of the Luxembourg Stock Exchange (the “Euro MTF”). The Notes are offered to a limited number of qualified investors within the meaning of the Luxembourg Law of July 10, 2005 on prospectuses for securities, in all cases under circumstances designed to preclude a distribution which would be other than a private placement. This Prospectus may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent.

Investing in the Notes involves a high degree of risk. See “Risk Factors” beginning on page 29

Fixed Rate Senior Secured Notes Price: 100.00% plus accrued interest, if any, from the Issue Date
Floating Rate Senior Secured Notes Price: 99.00% plus accrued interest, if any, from the Issue Date
Senior Notes Price: 100.00% plus accrued interest, if any, from the Issue Date

The Notes and the Note Guarantees (as defined herein) have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the laws of any other jurisdiction. The Notes and the Note Guarantees may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act (“Rule 144A”) and to certain persons in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”). You are hereby notified that sellers of the Notes and the Note Guarantees may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See “Notice to Investors” and “Transfer Restrictions” for additional information about eligible offerees and transfer restrictions.

Joint Global Coordinators and Bookrunning Managers

Credit Suisse

Deutsche Bank

Citigroup

J.P. Morgan

Joint Bookrunners

Morgan Stanley

UBS Investment Bank

The date of this Prospectus is March 23, 2012.

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NOTICE TO INVESTORS

You should rely only on the information contained in this prospectus (the “Prospectus”). Neither the Issuers nor either of Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Citigroup Global Markets Limited, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International plc and UBS Limited (together, the “Initial Purchasers”) listed on the cover page have authorized anyone to provide you with any information or represent anything about the Issuers, the Issuers’ financial results or this Offering that is not contained in this Prospectus. If given or made, any such other information or representation should not be relied upon as having been authorized by the Issuers or any of the Initial Purchasers. Neither the Issuers nor any of the Initial Purchasers are making an offering of any Notes in any jurisdiction where this Offering is not permitted. You should not assume that the information contained in this Prospectus is accurate as at any date other than the date on the front of this Prospectus.

THE NOTES (AND THE NOTES GUARANTEES) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS THE NOTES (AND THE NOTES GUARANTEES) ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. SEE “*PLAN OF DISTRIBUTION*” AND “*TRANSFER RESTRICTIONS*.” INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF ANY SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A UNDER THE SECURITIES ACT.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Prospectus and, if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer, any of their respective affiliates, or any of the Initial Purchasers. This Prospectus does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of this Prospectus nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to that date.

The information contained in this Prospectus has been furnished by the Issuers, the Company and other sources we believe to be reliable. This Prospectus contains summaries, believed to be accurate, of some of the terms of specific documents, but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained in those documents. By receiving this Prospectus, investors acknowledge that they have had an opportunity to request for review, and have received, all additional information they deem necessary to verify the accuracy and completeness of the information contained in this Prospectus. Investors also acknowledge that they have not relied on the Initial Purchasers in connection with their investigation of the accuracy of this information or their decision to invest in the Notes. The contents of this Prospectus are not to be considered legal, business, financial, investment, tax or other advice. Prospective investors should consult their own counsel, accountants and other advisors as to legal, business, financial, investment, tax and other aspects of a purchase of the Notes. In making an investment decision, investors must rely on their own examination of the Issuers and their respective affiliates, the terms of the offering of any of the Notes and the merits and risks involved.

In addition, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuers will also provide a copy of the foregoing information and reports to the Luxembourg Stock Exchange and make this information available in Luxembourg at the office of the Listing

Agent. Furthermore, for so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the relevant Issuer will, during any period in which such Issuer is neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from such reporting requirements under Rule 12g3-2(b) of the Exchange Act, as amended, make available to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by or such holder or beneficial owner, in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Any such request should be directed to the relevant Issuer.

Copies of the Indentures may be freely obtained at the specified office of the Luxembourg Listing Agent for as long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market of that exchange. See “*Listing and General Information*.”

This Offering is being made in reliance upon exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. The Notes have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the “SEC”) or any other U.S. federal, state or foreign securities commission or regulatory authority, nor has any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

The Initial Purchasers reserve the right to withdraw this Offering at any time and to reject any commitment to subscribe for the Notes, in whole or in part. The Initial Purchasers also reserve the right to allot less than the full amount of Notes sought by investors. The Initial Purchasers and certain related entities may acquire a portion of the Notes for their own account. Persons into whose possession this Prospectus or any of the Notes come must inform themselves about, and observe any restrictions on, the transfer and exchange of the Notes. See “*Plan of Distribution*” and “*Transfer Restrictions*.”

The laws of certain jurisdictions may restrict the distribution of this Prospectus and the offer and sale of the Notes. Persons into whose possession this Prospectus or any of the Notes come must inform themselves about, and observe any such restrictions. None of the Issuers, the Initial Purchasers or their respective representatives are making any representation to any offeree or any purchaser of the Notes regarding the legality of any investment in the Notes by such offeree or purchaser under applicable investment or similar laws or regulations. For a further description of certain restrictions on the offering and sale of the Notes and the distribution of this Prospectus, see “*Notice to Certain Investors*” and “*Transfer Restrictions*.”

To purchase any of the Notes, investors must comply with all applicable laws and regulations in force in any jurisdiction in which investors purchase, offer or sell any Notes or possess or distribute this Prospectus. Investors must also obtain any consent, approval or permission required by such jurisdiction for investors to purchase, offer or sell any of the Notes under the laws and regulations in force in any jurisdiction to which investors are subject. None of the Issuers, their respective affiliates or the Initial Purchasers will have any responsibility therefore.

No action has been taken by the Initial Purchasers, the Issuers or any other person that would permit an offering of any of the Notes or the circulation or distribution of this Prospectus or any offering material in relation to the Issuers, or their respective affiliates or any of the Notes in any country or jurisdiction where action for that purpose is required.

The Notes will be issued in fully registered form. The Fixed Rate Senior Secured Notes will be issued in denominations of CHF 150,000 and in integral multiples of CHF 1,000 in excess thereof, and each of the Floating Rate Senior Secured Notes and the Senior Notes will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Each of the Issuers accepts responsibility for the information contained in this Prospectus. Each of the Issuers has made all reasonable inquiries and confirmed to the best of its knowledge, information and belief that the information contained in this Prospectus with regard to itself and its affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Prospectus are honestly held, and neither of the Issuers is aware of any facts the omission of which would make this Prospectus or any statement contained herein misleading in any material respect. Each of the Issuers accept responsibility accordingly.

The information contained under the captions “*Exchange Rate Information*,” “*Summary*,” “*Industry*,” “*Management Discussion and Analysis of Financial Condition and Results of Operations*,” “*Industry 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 accept responsibility for the accurate extraction

and summarization of such information and data, we have not independently verified the accuracy of such information and data and we accept no further responsibility in respect thereof. However, as far as the Issuers are aware, no information or data has been omitted which would render reproduced information inaccurate or misleading. The information set out in relation to sections of this Prospectus describing clearing and settlement arrangements, including the section entitled “*Book-Entry; Delivery and Form*,” is subject to change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. Each of the Issuers accepts responsibility for accurately summarizing the information concerning Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream”), but the Issuers accept no further responsibility in respect of such information.

The Initial Purchasers make no representation or warranty, express or implied, as to, and assume no responsibility for, the accuracy or completeness of the information contained in this Prospectus. Nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or the future. The Issuers, the Company and the other Guarantors have furnished the information contained in this Prospectus.

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange for admission for trading on the Euro MTF market of that exchange, and have submitted this Prospectus to the competent authority in connection with the listing application.

The Issuers cannot guarantee that their application for the admission of the Notes for trading on the Euro MTF and to listing of the Notes on the Official List of the Luxembourg Stock Exchange will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

Investing in the Notes involves risks. See “*Risk Factors*.” It should be remembered that the price of securities and the income from them can go down as well as up.

IN CONNECTION WITH THIS OFFERING, CREDIT SUISSE SECURITIES (EUROPE) LIMITED (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND, IF BEGUN, MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

NOTICE TO NEW HAMPSHIRE RESIDENTS

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 (“RSA 421-B”) 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 THE 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 OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, 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 CERTAIN INVESTORS

EEA

This Prospectus has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Article 3 of Directive 2003/71/EC (the “Prospectus Directive”), as implemented in member states (“Member States”) of the European Economic Area (the “EEA”), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for us, any Issuer or any of the Initial Purchasers to produce a prospectus for such offer. Neither we, nor any Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this Prospectus.

In relation to each Member State of the EEA that has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), no offer is being made or will be made to the public of any Notes which are the subject of the Offering contemplated by this Prospectus in that Relevant Member State, other than: (a) to legal entities which are authorized qualified investors as defined in the Prospectus Directive; (b) to fewer than 100, or if the Relevant Member State has implemented the relevant provision of the Prospectus Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; 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 us, the relevant 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 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 offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for 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, and the expression “Prospectus Directive” means Directive 2003/71/EC (and any amendment thereto, including Directive 2010/73/EU of November 24, 2010, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

This Prospectus is directed only at persons (“Relevant Persons”) who (i) fall within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (ii) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iii) 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) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated.

This Prospectus must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Recipients of this Prospectus are not permitted to transmit it to any other person. The Notes are not being offered to the public in the United Kingdom.

Luxembourg

This offering of the Notes does not constitute a public offering of securities within the Grand Duchy of Luxembourg and accordingly this Prospectus should not be construed as a prospectus in accordance with Articles 5 and 30 of the Law of July 10, 2005 on prospectuses for securities.

The Luxembourg financial sector supervisory commission (*Commission de Surveillance du Secteur Financier*) has not reviewed or approved this Prospectus or any other document related to the offering of the Notes and has not recommended or endorsed the purchase of the Notes. Neither this Prospectus nor any other document related to the offering of the Notes may be distributed to the public in Luxembourg. The Notes may not be publicly offered for sale in Luxembourg and no steps may be taken which would constitute or result in a public offering in Luxembourg as defined in the Law of July 10, 2005 on prospectuses for securities. This document is intended for the use of the offeree(s) it is intended for, and may not be reproduced or used for any other purpose.

Listing of any of the Notes on the Luxembourg Stock Exchange does not imply that a public offering of any of the Notes in Luxembourg has been authorised.

Switzerland

This Prospectus, as well as any other material relating to the Notes which are the subject of the offering contemplated by this Prospectus, do not constitute an issue prospectus pursuant to article 652a and/or article 1156 of the Swiss Code of Obligations and may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes will not be listed on the SIX Swiss Exchange Ltd. or any other Swiss stock exchange or regulated trading facility and, therefore, the documents relating to the Notes, including, but not limited to, this Prospectus, do not claim to comply with the disclosure standards of the Swiss Code of Obligations and the listing rules of SIX Swiss Exchange Ltd. and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange Ltd or the listing rules of any other Swiss stock exchange or regulated trading facility. The Notes are being offered in Switzerland by way of a private placement (i.e., to a small number of selected investors only), without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached directly from time to time. This Prospectus, as well as any other material relating to the Notes, is personal and confidential and does not constitute an offer to any other person. This Prospectus, as well as any other material relating to the Notes, may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly or indirectly be distributed or made available to other persons without the Issuers' express consent. This Prospectus, as well as any other material relating to the Notes, may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

France

This Prospectus has not been prepared in the context of an offer to the public in France within the meaning of Article L. 411-1 of the *Code Monétaire et Financier* and Title I of Book II of the *Règlement Général* of the *Autorité des marchés financiers* (the "AMF") and therefore has not been submitted for clearance to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and offers and sales of the Notes will only be made in France to 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 le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) and/or to a closed circle of investors (*cercle restreint d'investisseurs*) acting for their own account, in each case other than individuals, as defined in and in accordance with Articles L. 411-2 and D. 411-1 to D. 411-4, D. 744-1, D. 754-1 and D. 764-1 of the *Code Monétaire et Financier*. Neither this Prospectus nor any other offering material may be distributed to the public in France or used in connection with any offer to the public in France. No direct or indirect distribution of any Notes so acquired shall be made to the public in France other than in compliance with applicable laws and regulations relating to an offer to the public (and in particular Articles L. 411-1, L. 411-2 and L. 621-8 of the *Code Monétaire et Financier*).

The Netherlands

In the Netherlands, the Notes may be offered free of any restrictions (i) provided that each such Note has a minimum denomination in excess of €100,000 (or the equivalent thereof in non-Euro currency) and (ii) subject to the regulatory notice (*vrijstellingsvermelding*) inserted immediately below, as required by the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*).

**Attention! This investment falls outside AFM supervision.
No prospectus required for this activity.**



Germany

The offering of the Notes is not a public offering in the Federal Republic of Germany. The Notes may be offered and sold in the Federal Republic of Germany only in accordance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz – WpPG*) (the "German Securities Prospectus Act") and any other applicable German law. Consequently, in the Federal Republic of Germany, the Notes will only be available to, and this Prospectus and any other offering material in relation to the Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No.6 of the German Securities Prospectus Act. Any offer, sale, or resale of the Notes in Germany may only be made in accordance with the German Securities Prospectus Act and other applicable laws. The Issuers have not, and do

not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht—BaFin*) or obtain a notification to BaFin from another competent authority of a Member State of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17 Para. 3 of the German Securities Prospectus Act.

Republic of Italy

Each of the Issuers and the Initial Purchasers represents and agrees that the offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) (the Italian Securities Exchange Commission) pursuant to Italian securities laws and, accordingly, each Initial Purchaser represents and agrees that no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other documents relating to the Notes be distributed in the Republic of Italy (“Italy”), except:

- (a) to the categories of qualified investors (*investitori qualificati*) set out in paragraphs (i) to (iii) of the Prospectus Directive, as referred to in Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the “Financial Services Act”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 4-ter, first paragraph, of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the “Regulation No. 11971”).

Each Initial Purchaser further represents and agrees that any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 2007 (as amended from time to time) and Legislative Decree No. 385 of September 1, 1993, as amended; and
- (ii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Spain

This Offering has not been registered with the *Comisión Nacional del Mercado de Valores* (the “CNMV”) and therefore the Notes may not be offered or sold or distributed in Spain except in circumstances which do not qualify as a public offer of securities in Spain in accordance with article 30 bis of the Securities Market Act (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated, or pursuant to an exemption from registration in accordance with article 41 of the Royal Decree 1310/2005 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*).

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Data

The Issuers were formed on December 23, 2011 for the purposes of facilitating the Transactions and issuing the Notes offered hereby. Neither of them has any material assets or liabilities or has engaged in any activities other than those related to its formation in preparation for the Transactions, including the Offering. The Senior Notes Issuer is a holding company, which holds all the outstanding shares of the Senior Secured Notes Issuer. The Senior Secured Notes Issuer is a holding company, which, from the Completion Date, will hold all the outstanding shares of the Company.

Because of the limited historical financial information available for the Issuers, unless otherwise indicated, the financial information presented in this Prospectus is the historical consolidated financial information of the Company and its consolidated subsidiaries. The Company's audited consolidated financial statements as of and for the years ended December 31, 2009 and 2010 and unaudited condensed consolidated interim financial statements as of and for the nine-month periods ended September 30, 2010 and 2011 included in this Prospectus have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The Company's condensed consolidated interim financial statements as of and for the nine-month periods ended September 30, 2010 and 2011 are unaudited and all information contained in this Prospectus with respect to those periods is also unaudited. Information for the twelve months ended September 30, 2011 is calculated by taking the results of operations for the nine months ended September 30, 2011 and adding it to the difference between the results of operations for the full year ended December 31, 2010 and the nine months ended September 30, 2010.

The consolidated financial statements as of and for the years ended December 31, 2009 and 2010 and as of and for the nine months ended September 30, 2010 and 2011 have been prepared in accordance with IFRS. These financial statements have been prepared in connection with the Acquisition. Prior to the Acquisition, the Company prepared statutory financial statements on a standalone basis for each of the Company, Orange Network SA and Orange Liechtenstein. The preparation of the consolidated financial statements did not therefore require any material allocation of assets and liabilities and income and expense items between France Telecom and the Company and its subsidiaries. No consolidated financial statements of the Company and all its subsidiaries for periods of years ending prior to the year ended December 31, 2009 prepared on a basis comparable to the audited consolidated financial statements included in this Prospectus are available.

Our consolidated financial statements are presented in Swiss francs.

Other Financial Measures

This Prospectus contains non-IFRS measures and ratios, including revenues at constant MTR, EBITDA, Adjusted EBITDA, EBITDA less capital expenditures, Adjusted EBITDA at constant MTR and leverage and coverage ratios that are not required by, or presented in accordance with, IFRS. We present non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our operating results as reported under IFRS. Non-IFRS measures and ratios such as revenues at constant MTR, EBITDA, Adjusted EBITDA, EBITDA less capital expenditures, Adjusted EBITDA at constant MTR and leverage and coverage ratios are not measurements of our performance or liquidity under IFRS or any other generally accepted accounting principles. Other companies in our industry may calculate these measures differently and, consequently, our presentation may not be readily comparable to other companies figures. In particular, you should not consider EBITDA or Adjusted EBITDA as an alternative to (a) operating income or income for the period (as determined in accordance with IFRS) as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under generally accepted accounting principles. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for an analysis of our results as reported under IFRS.

Other data

Certain numerical figures set out in this Prospectus, including financial data presented in millions or thousands, certain operating data, percentages describing market shares and penetration rates, have been subject to rounding adjustments and, as a result, the totals of the data in this Prospectus may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to

financial and other data set forth in “*Management Discussion and Analysis of Financial Condition and Results of Operations*” are calculated using the numerical data in the consolidated financial statements of the Company or the tabular presentation of other data (subject to rounding) contained in this Prospectus, as applicable, and not using the numerical data in the narrative description thereof.

Market, Economic and Subscriber Data; Market Share Data

General

In this Prospectus, we rely on and refer to information regarding our business and the markets in which we operate and compete. The market data and certain economic and industry data and forecasts used in this Prospectus were obtained from internal surveys, market research, governmental and other publicly available information, independent industry publications and reports prepared by industry consultants including IDC, TeleGeography, Gartner and industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness.

In addition, in many cases, we have made statements in this Prospectus regarding the economy, the mobile telecommunications industry, the Company’s position in the industry, the Company’s market share and the market shares of various industry participants based on our internal estimates, experience, our own investigation of market conditions and our review of industry publications, including information made available to the public by our competitors.

We cannot assure you that any of the assumptions underlying these statements are accurate or correctly reflect the Company’s position in the industry and none of our internal surveys or information have been verified by any independent sources. None of the Issuers, the Company and the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this information. All the information set forth in this Prospectus relating to the operations, financial results and subscriber base of Swisscom Switzerland Ltd. (“Swisscom”), Sunrise Communications AG (“Sunrise”) and other competitor companies has been obtained from information made available to the public in such companies’ publicly available reports, and independent research. None of the Issuers, the Company and the Initial Purchasers have independently verified this information or can guarantee its accuracy.

The subscriber data included in this Prospectus, including penetration rates, average revenues per user (“ARPU”), subscriber numbers, our market share and churn rates are derived from management estimates, are not part of our financial statements or financial accounting records and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Our use or computation of the terms ARPU or churn may not be comparable to the use or computation of similarly titled measures reported by other companies in the telecommunications industry. ARPU is a non-GAAP measure and should not be considered in isolation or as an alternative measure of performance under IFRS. We believe that ARPU provides useful information concerning the appeal and usage patterns of our tariff plans and service offerings and our performance in attracting and retaining high-value subscribers of mobile voice, data and broadband services.

In the analysis of our results of operations set out below, we provide certain financial data on a restated basis to exclude the impact of changes in mobile termination rates during the periods under review by using constant mobile termination rates. We do so by calculating the weighted average mobile termination rate applicable during the later period and applying it to the earlier period.

Subscribers

Postpaid mobile subscribers are counted in our subscriber base as long as they have an active contract. The calculation includes subscribers through wholesale resellers, but excludes subscribers through MVNOs as MVNOs own their subscriber base. Prepaid mobile subscribers are counted in our subscriber base if their SIM card is connected to the network and they have had at least one chargeable outgoing traffic event (that is, voice, SMS, MMS or data) or have received four or more incoming traffic chargeable events (e.g., excluding traffic initiated by us) within the last three months.

Generally, each connection counts as one subscriber; however, this may vary depending on the circumstances and subscriber numbers should not be equated with the actual number of individuals or businesses using our services.

Market Share

We have included in this Prospectus data showing our share of the Swiss mobile telecommunications market based on revenues for the year ended December 31, 2010 and the nine months ended September 30, 2011. For the purposes of the determination of our revenues market share we have compared the total amount of revenues resulting from mobile activities (the sum of the amounts shown under the captions “Network,” “Equipment” and “Other mobile services” in the table contained in note 3.1 of the notes to our consolidated annual audited financial statements and note 2.1 of the notes to our consolidated condensed interim financial statements) to the amounts in comparable line items in the published consolidated financial statements and other published financial data of each of Swisscom (aggregated under the caption “Revenue mobile” or “Revenue wireless” but including fixed-line device revenues) and Sunrise (aggregated under the captions “Mobile revenue”) for the same periods. None of the Issuers, the Company and any the Initial Purchasers have independently verified the amounts published by Swisscom and Sunrise and cannot guarantee their accuracy. Neither we, the Company or the Initial Purchasers have been able to independently verify that the composition of Swisscom and Sunrise’s relevant line items and the accounting policies on which they are based are in all respects identical to our mobile revenues other than as stated above. Consequently, our calculation of “Mobile revenues” may not be readily comparable to their figures and the ensuing determination of our revenues market share may not be comparable to that of Swisscom and Sunrise. As a result, “revenues” market share data based on such comparison included in this Prospectus may not accurately reflect our competitive position and the competitive positions of other operators.

Data showing our market share by number of subscribers at year-end 2005 is based on data published by ComCom. For all other periods, we have calculated our market share by number of subscribers by comparing the number of mobile subscribers published by Swisscom, Orange and Sunrise. The definition of a subscriber may vary between operators. A definition that is more restrictive in its determination of when a subscriber is deemed to cease being so may result in a reduction of the number reported for total subscribers, and therefore a lower market share based on numbers of total reported subscribers. As a result, market share data based on numbers of total reported subscribers and any related comparisons of us to other operators included in this Prospectus may not accurately reflect our competitive position and the competitive positions of such other operators. Additional information set forth in this Prospectus relating to the subscriber base of the mobile virtual network operators (“MVNOs”) is based on our internal estimates.

All market share data excludes In&Phone SA (a smaller MNO which focuses on a specific market segment in Switzerland) and MVNOs.

Churn

“Churn” refers to the percentage of subscriber disconnections. We deem mobile subscribers to have churned when their mobile service with us is disconnected (whether resulting from a subscriber decision or our decision).

We calculate the churn rate by dividing the number of disconnections of subscribers during a period by the average number of subscribers during the same period. The average number of subscribers does not include postpaid subscribers without an active contract and prepaid subscribers whose SIM card is connected to the network, but that have not had any chargeable outgoing traffic events (that is, voice, SMS, MMS or data) or that have received less than four incoming traffic chargeable events (excluding traffic initiated by us) within the last three months.

Churn activity affects various key performance indicators, including total subscribers and ARPU levels. The definition of churn may vary between operators. A churn policy that is more expansive in its determination of when a subscriber is deemed to have churned may result in a reduction of the number reported for total subscribers, an increase in churn rate and potentially higher ARPU. As a result, such data and any related comparisons of us to other operators included in this Prospectus may not accurately reflect our competitive position and the competitive positions of such other operators.

Mobile Penetration Rates

“Mobile penetration” refers to the measurement, usually as a percentage, of the take-up of mobile telecommunications services. As of any date, mobile penetration is calculated by dividing the number of subscribers by the number of inhabitants to which the service is available. In this Prospectus, mobile penetration rates presented as of each period-end are sourced from TeleGeography.

EXCHANGE RATE INFORMATION

We present our consolidated financial statements in Swiss francs (CHF or TCHF). The exchange rate for CHF against euro as of the end of February 2012 was CHF 1.21 per €1.00. We have set forth in the table below, for the periods and dates indicated, the period end, average, high and low exchange rates as published by Bloomberg, for cable transfers of euro expressed as CHF per €1.00.

	CHF per €1.00			
	High	Low	Average ⁽¹⁾	Period End
Year				
2006	1.61	1.54	1.58	1.61
2007	1.68	1.60	1.65	1.65
2008	1.65	1.44	1.58	1.49
2009	1.54	1.46	1.51	1.48
2010	1.48	1.24	1.37	1.25
Month				
August 2011	1.18	1.03	1.12	1.16
September 2011	1.22	1.11	1.20	1.22
October 2011	1.24	1.21	1.23	1.22
November 2011	1.24	1.21	1.23	1.23
December 2011	1.24	1.22	1.23	1.22
January 2012	1.22	1.20	1.21	1.20
February 2012	1.21	1.20	1.21	1.21
March 2012 (until March 22, 2012)	1.21	1.20	1.21	1.21

(1) The average of the exchange rates on the last business day of each month for the relevant annual period and on each business day for any other period.

The exchange rate for CHF against U.S. dollars as of the end of February 2012 was CHF 0.90 per \$1.00. We have set forth in the table below, for the periods and dates indicated, the period end, average, high and low exchange rates as published by Bloomberg, of dollars expressed as CHF per \$1.00.

	CHF per \$1.00			
	High	Low	Average ⁽¹⁾	Period End
Year				
2006	1.32	1.19	1.25	1.22
2007	1.25	1.10	1.19	1.13
2008	1.22	0.98	1.08	1.07
2009	1.18	1.00	1.08	1.03
2010	1.16	0.94	1.04	0.94
Month				
August 2011	0.82	0.72	0.78	0.81
September 2011	0.91	0.79	0.87	0.91
October 2011	0.93	0.86	0.90	0.88
November 2011	0.93	0.88	0.91	0.91
December 2011	0.95	0.92	0.93	0.94
January 2012	0.96	0.91	0.94	0.92
February 2012	0.92	0.89	0.91	0.90
March 2012 (until March 22, 2012)	0.93	0.90	0.92	0.92

(1) The average of the exchange rates on the last business day of each month for the relevant annual period and on each business day for any other period.

DEFINED TERMS

In this Prospectus, the following words and expressions have the following meanings, unless the context otherwise requires or unless otherwise so defined. In particular, capitalized terms set forth and used in the sections entitled “*Description of Certain Financing Arrangements—Intercreditor Agreement*,” “*Description of the Senior Secured Notes*,” and “*Description of the Senior Notes*” may have different meanings from the meanings given to such terms and used elsewhere in this Prospectus. We specifically draw your attention to “*Description of Certain Financing Arrangements—Intercreditor Agreement—General*”. Certain other terms are explained in the section headed “*Glossary of Technical Terms*.”

- “*Acquisition*” has the meaning ascribed to it under “*Summary—The Acquisition*.”
- “*Acquisition Agreement*” means the share purchase agreement, dated as of December 23, 2011, by and among the Senior Secured Notes Issuer, the Seller and France Telecom, as it may be amended from time to time.
- “*Agreed Security Principles*” means the Agreed Security Principles as set out in an annex to the Senior Facilities Agreement as in effect on the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer.
- “*Apax*” refers to Apax Partners LLP or one or more funds or limited partnerships managed or advised by Apax Partners LLP or any of its affiliates or direct or indirect subsidiaries from time to time.
- “*Atlas Services Belgium*” or “*Seller*” refers to Atlas Services Belgium, an indirect wholly-owned subsidiary of France Telecom.
- “*Capex/Acquisition Facility*” refers to the CHF 125 million facility under the Senior Facilities Agreement as described under “*Description of Certain Financing Arrangements—Senior Facilities Agreement*.”
- “*Completion Date*” refers to the date on which the proceeds of the offering of the Notes are released from the relevant escrow account concurrently with the consummation of the Acquisition.
- “*Equity Contribution*” has the meaning ascribed to it under “*Summary—Corporate Structure and Certain Financing Arrangements*.”
- “*Escrow Agent*” refers to Deutsche Bank AG, London branch, as Senior Secured Notes Escrow Agent pursuant to the Senior Secured Notes Escrow Agreement and Senior Notes Escrow Agent pursuant to the Senior Notes Escrow Agreement.
- “*Financing*” has the meaning ascribed to it under “*Summary—The Financing*.”
- “*France Telecom*” and “*FT*” refers to France Telecom S.A., a public company incorporated under the laws of France.
- “*FT Group*” refers to France Telecom and its subsidiaries.
- “*FT Intercompany Loans*” means the existing intercompany loans between Orange and the Seller for a total outstanding amount of CHF 917.0 million, comprising a loan of CHF 480.0 million due December 2017 and a loan of CHF 437.0 million due October 2018, a portion of which will be repaid on or prior to the Completion Date with cash on balance sheet, the remainder being repaid with the proceeds of the Notes and the amounts drawn under the Senior Facilities Agreement. See “*Use of Proceeds*.”
- “*Group*” refers to the Senior Notes Issuer and its subsidiaries or the Senior Secured Notes Issuer and its subsidiaries, as the context may require, in each case after giving effect to the consummation of the Acquisition.
- “*Guarantors*” refers collectively to the Senior Notes Issuer, the Company and Orange Network, as guarantors of the Senior Secured Notes and the Senior Secured Notes Issuer, the Company and Orange Network, as guarantors of the Senior Notes, and “*Guarantor*” refers to each of them.
- “*Indentures*” collectively refers to the Senior Secured Notes Indenture and the Senior Notes Indenture.
- “*Intercreditor Agreement*” refers to the agreement dated January 30, 2012, as amended on February 3, 2012, and as further amended from time to time by and among, *inter alios*, the creditors and agents under the Senior Facilities and the Security Agent.
- “*Issue Date*” refers to the date of original issuance of the Senior Secured Notes and/or the Senior Notes, as the context may require.
- “*Issuers*” collectively refers to the Senior Secured Notes Issuer and the Senior Notes Issuer.
- “*Notes Guarantees*” collectively refers to the Senior Secured Notes Guarantees and the Senior Notes Guarantees.
- “*Offering*” or “*Offerings*” refers to the offering of the Senior Secured Notes and/or the Senior Notes pursuant to this Prospectus, as the context may require.

- “*Olympus Midco*” refers to Olympus Midco S.à r.l., a *société à responsabilité limitée* incorporated and existing under Luxembourg law.
- “*Orange*” or the “*Company*” means Orange Communications SA, a Swiss stock corporation (*société anonyme*) pursuant to arts. 620 et seq. of the Swiss Code of Obligations.
- “*Orange Group*” refers to Orange Communications SA together with its subsidiaries.
- “*Orange Network*” refers to Orange Network SA, a Swiss stock corporation (*société anonyme*) pursuant to arts. 620 et seq. of the Swiss Code of Obligations.
- “*Permitted Collateral Liens*” has, with respect to the Senior Secured Notes, the meaning ascribed to it under “*Description of the Senior Secured Notes—Certain Definitions*” and, with respect to the Senior Notes, the meaning ascribed to it under “*Description of the Senior Notes—Certain Definitions*.”
- “*Profit Participating Loans*” refers to the profit participating loans described under “*Description of the Senior Notes—The Profit Participating Loans*.”
- “*Revolving Credit Facility*” refers to the CHF 100 million senior multi-currency revolving credit facility under the Senior Facilities as described under “*Description of Certain Financing Arrangements—Senior Facilities Agreement*.”
- “*Security Agent*” refers to UBS AG, London Branch.
- “*Security Documents*” has the meaning ascribed to it under the “*Description of the Senior Secured Notes*” and “*Description of the Senior Notes*.”
- “*Senior Facilities*” refers to the Term Loan A Facility, the Term Loan B1 Facility, the Term Loan B2 Facility, the Capex/Acquisition Facility and the Revolving Credit Facility made available under the Senior Facilities Agreement.
- “*Senior Facilities Agreement*” refers to the senior facilities agreement dated January 30, 2012, as amended on February 3, 2012, and as further amended from time to time by and among, *inter alios*, the Senior Secured Notes Issuer and certain of its subsidiaries and UBS AG, London Branch, as agent and security agent, and Citigroup Global Markets Limited, Credit Suisse International, Deutsche Bank AG, London Branch, J.P. Morgan Ltd., Morgan Stanley Bank International Limited and UBS Limited, providing for a Term Loan A Facility in the amount of CHF 225 million, a Term Loan B1 Facility in the amount of CHF 275 million, a Term Loan B2 Facility in the amount of CHF 125 million, as well as a Capex/Acquisition Facility in the amount of CHF 125 million and a Revolving Credit Facility in the amount of CHF 100 million.
- “*Senior Notes Escrow Agreement*” refers to the senior notes escrow agreement to be dated on or before the Issue Date by and among, *inter alios*, the Senior Notes Issuer, the Escrow Agent, the Senior Notes Trustee, and Credit Suisse Securities (Europe) Ltd. and Deutsche Bank AG, London Branch as representatives of the Initial Purchasers and the Senior Notes Trustee.
- “*Senior Notes Guarantees*” collectively refers to guarantees issued by each of the Senior Secured Notes Issuer, Orange and Orange Network SA on a senior subordinated basis guaranteeing the Senior Notes.
- “*Senior Notes Indenture*” refers to the indenture to be dated on or about the Issue Date governing the Senior Notes by and among, *inter alios*, the Senior Notes Issuer and the Senior Notes Trustee.
- “*Senior Notes Issuer*” refers to Matterhorn Mobile Holdings S.A.
- “*Senior Notes Trustee*” refers to Deutsche Trustee Company Limited, as trustee under the Senior Notes Indenture.
- “*Senior Secured Notes Escrow Agreement*” refers to the senior secured notes escrow agreement to be dated on or before the Issue Date by and among, *inter alios*, the Senior Secured Notes Issuer, the Escrow Agent, Credit Suisse Securities (Europe) Limited and Deutsche Bank AG, London Branch as representatives of the Initial Purchasers and the Senior Secured Notes Trustee with respect to the escrow accounts for each of the Fixed Rate Senior Secured Notes and the Floating Rate Senior Secured Notes.
- “*Senior Secured Notes Guarantees*” collectively refers to guarantees issued by each of the Senior Notes Issuer, Orange and Orange Network on a senior basis guaranteeing the Senior Secured Notes.
- “*Senior Secured Notes Indenture*” refers to the indenture to be dated on or about the Issue Date governing the Fixed Rate Senior Secured Notes and the Floating Rate Senior Notes by and among, *inter alios*, the Senior Secured Notes Issuer and the Senior Secured Notes Trustee.
- “*Senior Secured Notes Issuer*” refers to Matterhorn Mobile S.A.
- “*Senior Secured Notes Trustee*” refers to Deutsche Trustee Company Limited, as trustee under the Senior Secured Notes Indenture.

- “*Term Loan A Facility*” refers to the CHF 225 million term loan facility under the Senior Facilities Agreement as described under “*Description of Certain Financing Arrangements—Senior Facilities Agreement*.”
- “*Term Loan B1 Facility*” refers to the CHF 275 million term loan facility under the Senior Facilities Agreement as described under “*Description of Certain Financing Arrangements—Senior Facilities Agreement*.”
- “*Term Loan B2 Facility*” refers to the CHF 125 million term loan facility under the Senior Facilities Agreement as described under “*Description of Certain Financing Arrangements—Senior Facilities Agreement*.”
- “*Transactions*” has the meaning ascribed to it under “*Summary—The Financing*.”
- “*Trustee*” or the “*Trustees*” refers to the Senior Secured Notes Trustee and/or the Senior Notes Trustee, as the context may require.
- “*we*,” “*us*” and “*our*” refer to the Senior Notes Issuer, its subsidiaries and other entities after giving effect to the Transactions, unless the context otherwise requires or is clear from context. When discussing future results of operations, such terms are generally used to refer to the business of the Senior Notes Issuer and its consolidated subsidiaries after giving effect to the Transactions.

In addition to the terms defined above, this Prospectus also contains a glossary of certain technical terms relating to the telecommunications industry and Orange’s business. See “*Glossary of Technical Terms*.”

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in the forward-looking statements made in this Prospectus. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “will likely result,” “are expected to,” “will continue,” “believe,” “anticipated,” “estimated,” “intends,” “expects,” “plans,” “seek,” “projection” and “outlook.” These statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Prospectus. Important risks, uncertainties and other factors that could cause such differences between the actual results from those expressed in forward-looking statements include, but are not limited to:

- the upcoming Swiss spectrum auction;
- high levels of competition in the market;
- changes in economic conditions in Switzerland and Liechtenstein and its impact on consumer spending;
- decreases in mobile termination rates;
- our ability to respond to rapid technological changes and corresponding changes in consumer preferences on a timely basis;
- changes in the regulatory framework in which we operate, including regulatory developments with respect to mobile termination rates and other tariffs, as well as other changes in national, cantonal and local laws, regulations and taxes;
- our ability to successfully implement our strategy;
- our ability to continually upgrade our network, protect our equipment and network systems and avoid service disruptions or equipment and network systems failures;
- our ability to attract new mobile subscribers and retain existing mobile subscribers;
- our dependence on third-party telecommunications providers for provision of certain of our services;
- risks relating to lease of certain parts of our network from third parties;
- our dependence on wholesale reseller and MVNO partners;
- our dependence on third parties to distribute our products and ability to maintain and further develop our direct and indirect distribution and customer care channels;
- disruptions in the supply of our equipment and services and services from key sourcing partners and/or a significant change in the purchasing conditions;
- our ability to attract and retain key personnel;
- our ability to maintain our licenses and permits for the key technologies underlying our service offerings, obtain new licenses and permits, and other licenses and permits;
- the capital-intensive nature of our business and its dependence on continuously maintaining and upgrading our network;
- equipment and network systems failures;
- the status and outcome of pending litigation, legal or regulatory actions, and the impact of any new litigation, legal or regulatory actions the Group may become party to;
- the impact of decreased mobile network usage, litigation or stricter regulation arising from actual or perceived health risks or other problems;
- our pension liability;
- our dependence on the FT Group for transitional services;
- costs as well as loss of benefits and access to certain products in connection with our separation from the FT Group;
- our ability to maintain and enforce our intellectual property rights;

- loss and costs in connection with the loss of the Orange brand;
- the satisfaction of the conditions to the escrow of the proceeds of the Notes;
- the substantial leverage and debt service obligations of the Group;
- the effects of our restrictive debt covenants on our ability to finance our future operations and capital needs and to pursue business opportunities and activities;
- our ability to raise additional financing;
- changes in floating interest rates;
- exchange rate fluctuations;
- risks associated with the Offerings;
- risks associated with our Group structure;
- risks associated with our shareholders;
- risks associated with the Acquisition;
- factors that are not known to us at this time; and
- other factors discussed or referred to in this Prospectus.

These and other factors are discussed in “*Risk Factors*” beginning on page 29 of this Prospectus.

Because the risk factors referred to in this Prospectus could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Prospectus by us or on our behalf, you should not place undue reliance on any of these forward-looking statements. Furthermore, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for us to predict such factors. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

CURRENCY PRESENTATION

In this Prospectus, all references to “CHF” are to Swiss francs, the lawful currency of Switzerland; all references to “euro,” “EUR” and “€” are to the single currency of the participating member states of the European Union participating in the third stage of economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time; and all references to “U.S. dollars,” “USD” and “\$” are to the lawful currency of the United States of America.

ENFORCEABILITY OF JUDGMENTS

The Senior Secured Notes Issuer and the Senior Notes Issuer are incorporated under the laws of Luxembourg. Orange and Orange Network SA are incorporated under the laws of Switzerland and Orange Liechtenstein SA is incorporated under the laws of Liechtenstein. All of the directors, officers and other executives of the Issuers and each of the Guarantors are neither residents nor citizens of the United States. Furthermore, almost all of the assets of the Issuers and each of the Guarantors, and their directors, officers and other executives are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon any of the Issuers or any Guarantor or any such other person or to enforce against any of them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws despite the fact that, pursuant to the terms of both the Senior Secured Notes Indenture and the Senior Notes Indenture, the relevant Issuer and the relevant Guarantors have appointed, or will appoint, an agent for the service of process in New York.

If a judgment is obtained in a U.S. court against any of the Issuers or any Guarantor or any security provider, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the countries in which our Guarantors are located, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

Luxembourg

Each of the Senior Secured Notes Issuer and the Senior Notes Issuer has been advised by our Luxembourg counsel that the United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. According to such counsel, a valid and enforceable judgment for the payment of monies rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon the U.S. securities laws, would not directly be enforceable in Luxembourg. However, a party who received such favorable judgment in a U.S. court may initiate enforcement proceedings in Luxembourg (*exequatur*) by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d'Arrondissement*) pursuant to Section 678 of the New Luxembourg Code of Civil Procedure. The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. judgment is enforceable (*exécutoire*) in the United States;
- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under applicable U.S. federal or state jurisdictions rules, and the jurisdiction of the U.S. court is recognized by Luxembourg private international and local law;
- the U.S. court has applied to the dispute the substantive law which would have been applied by Luxembourg courts under the applicable conflict of law rules;
- the U.S. judgment does not contravene international public policy or order as understood under the laws of Luxembourg or has been given in proceedings of a criminal nature and tax nature;
- the U.S. court has acted in accordance with its own procedural laws;
- the U.S. judgment was granted following proceedings where the counterparty had the opportunity to appear, was granted the necessary time to prepare its case and, if it appeared, to present a defense; and
- the U.S. judgment was not granted pursuant to an evasion of Luxembourg law (*fraude à la loi luxembourgeoise*).

Subject to the above conditions, Luxembourg courts tend not to review the merits of a foreign judgment, although there is no statutory prohibition for such review. If an original action is brought in Luxembourg, Luxembourg courts may refuse to enforce any choice of law provisions if the application of such law would contravene, or is manifestly incompatible with, Luxembourg public policy.

Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than euro. However, enforcement of the judgment against any party in Luxembourg would be available only in euro and for such purposes all claims or debts would be converted into euro.

Even if a U.S. judgment is recognized in Luxembourg, it does not necessarily mean that it will be enforced in all circumstances. The obligations need to be of a specific kind and type for which an enforcement procedure exists under Luxembourg law. Also, if circumstances have arisen after the date at which such foreign judgment became legally effective and final, a defense against execution may arise. Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium as well as other similar laws affecting creditor's rights generally. Moreover, a Luxembourg court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. In addition, it is doubtful whether a Luxembourg court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws.

Switzerland

Our Swiss counsel has advised us that a United States judgment may be recognized and enforced upon request by the courts of Switzerland if certain requirements of the Swiss Federal Act on Private International Law are met, in particular:

- the foreign court has jurisdiction. Jurisdiction or authority is established:
 - if a provision of the Swiss Federal Act on Private International Law ("PILA") so provides or, in the absence of such provision, if the defendant had his legal domicile in the country in which the judgment was rendered; or
 - if the parties, in a pecuniary dispute, entered into an agreement valid under the PILA submitting their dispute to the jurisdiction of the court or authority which rendered the judgment; or

- if the defendant, in a pecuniary dispute, proceeded on the merits without objecting to jurisdiction; or
- if, in the event of a counterclaim, the court or authority which rendered the judgment had jurisdiction over the principal claim and if there is a factual connection between the principal claim and the counterclaim;
- the judgment of such foreign court has become final and non-appealable;
- the recognition of the foreign judgment is not manifestly contrary to Swiss public policy;
- the counterparty has been properly served with process according to the law of the state of his/her/its domicile or ordinary residence (if in Switzerland, through judicial aid granted by the Swiss authorities) or the counterparty has unconditionally appeared in the proceedings;
- the proceedings leading to the judgment have respected the principles of a fair trial (as understood in Switzerland) and, in particular, that the counterparty has been granted the right to be heard and the possibility to properly defend his/her/its case; and
- no action between the same parties and on the same subject matter has been commenced or decided upon first in Switzerland and no judgment between the same parties and on the same subject matter has first been rendered by a foreign court, which judgment may be recognized in Switzerland.

Subject to the foregoing, purchasers of the Notes may be able to enforce in Switzerland judgments in civil and commercial matters obtained from United States federal or state courts; however, we cannot assure you that those judgments will be enforceable. Awards of punitive damages in original actions outside Switzerland may also not be enforceable in Switzerland. It is doubtful whether a Swiss court would accept jurisdiction and impose civil liability if proceedings commenced in Switzerland predicated solely upon United States federal or state securities laws. In addition, in an action brought in a Swiss court on the basis of United States federal or state securities laws, the Swiss courts may not have the requisite power to grant the remedies sought. Any amount denominated in a foreign currency adjudicated in a final judgment which has to be enforced through Swiss debt collection authorities (*Schweizerische Zwangsvollstreckungsbehörden*) has to be converted into Swiss francs. Finally, no statement can be made as to the time and efficiency of the recognition and enforcement in Switzerland of a foreign judgment considering that recognition and enforcement proceedings tend to be time-consuming in Switzerland.

SUMMARY

The following summary may not contain all the information that may be important to you. Before making an investment decision, you should read this entire Prospectus, including the “Risk Factors” section and the consolidated financial information, together with the related notes, included in this Prospectus.

Overview

We are one of the three nationwide mobile network operators in Switzerland. We estimate that for the nine months ended September 30, 2011 our share of the Swiss mobile telecommunications market was approximately 19% based on revenues and 16.4% by number of subscribers. We operate in attractive economic, competitive and regulatory environments and own an extensive, high-quality mobile telecommunications network infrastructure, which, together with our higher-value, predominantly postpaid subscriber base, our attractive market positioning and renewed product portfolio, gives us an attractive value position. Besides Switzerland, we also operate in the Principality of Liechtenstein, where we are the second largest mobile network operator behind Swisscom based on number of subscribers.

We offer mobile voice, non-voice and mobile broadband products and services to residential and business customers. With our mobile telecommunications offerings, both postpaid and prepaid, we aim to offer our own branded products and services that are simple to use, flexible and easy to understand, and to offer value for money by enabling the customers to customize their price plan. We also market mobile telecommunications services through wholesale resellers and to MVNOs with their respective brands on our mobile network to target different customer segments. We further offer fixed-voice, broadband internet products and services on the basis of a wholesale reseller agreement, as well as mobile TV and over-the-top (OTT) TV products and services. Finally, we offer other products and services, such as, among others, a portfolio of customer care services (Orange Care).

For the nine months ended September 30, 2011 our mobile telecommunications offerings generated 96.2% of total revenues (split between network revenues (89.2%) and equipment revenues (7.0%)), with the remainder comprised of fixed line revenues (0.7%) and other revenues (3.1%).

In the past, we have focused primarily on the postpaid customer segment, which represented 82.8% and 85.4% of our network revenues for the year ended December 31, 2010 and for the nine months ended September 30, 2011, respectively. Within that segment our principal focus has been higher-value residential customers, as well as SoHo and SME business customers. Since the beginning of 2010, we have expanded our product offering to target a broader range of customers. In August 2010, we launched “Orange Me”, a new postpaid offering for residential customers, SoHo and SME. In 2011, we reinforced the postpaid portfolio to target additional postpaid customer segments, in particular young customers (Orange Young), and we renewed our prepaid offering, with the launch of Orange Me PrePay in October 2011.

We provide mobile services through our own mobile 2G and 3G telecommunications access network throughout Switzerland and Liechtenstein. In addition to our mobile telecommunications access network, we have a transmission network including a mobile backhaul network, a national transmission backbone network (core transport network) and an IT/corporate data network comprising of owned, leased and rented infrastructure. We do not operate our own dedicated landline network infrastructure to provide fixed-voice and broadband internet products and services, but provide such products and services on the basis of a reseller agreement with VTX Services SA.

We have historically marketed our products and services through the *Orange* brand. On December 23, 2011, we entered into a brand license agreement with Orange Brand Services Limited that will become effective on the Acquisition closing date. Under the terms of the agreement, we will have a license to the *Orange* brand for a period of three years, which, subject to certain conditions being satisfied, will renew automatically for an additional two-year period. We currently intend to continue to use the *Orange* brand and to carry out a rebranding process within approximately eighteen months of the Completion Date. As our rights under the brand license may continue for up to five years, however, we may decide to change the timing or scope of our rebranding plans in the future.

We distribute our products and services in Switzerland both directly through a network of approximately 80 of our own shops, the Internet and further direct marketing channels, as well as indirectly through partners’ point-of-sales and a network of non-exclusive distributors. We expect to develop further our direct distribution network by opening a number of additional point-of-sales and expanding telesales operations. Resellers and

MVNOs on our network generally distribute mobile telecommunications services through their own distribution network and channels.

For the year ended December 31, 2010, we generated total revenues of CHF 1.3 billion, EBITDA of CHF 313.6 million and Adjusted EBITDA of CHF 351.6 million. For the nine months ended September 30, 2011, we generated total revenues of CHF 923.2 million, EBITDA of CHF 240.4 million and Adjusted EBITDA of CHF 264.1 million. For the twelve months ended September 30, 2011, we generated total revenues of CHF 1.2 billion, EBITDA of CHF 311.7 million and Adjusted EBITDA of CHF 339.8 million.

Our Strengths

We believe that the following strengths will allow us to execute our strategy. See “*Business—Our Strategy*.”

Supportive Economic, Competitive and Regulatory Environment

We generate almost all of our revenues and net income from Switzerland, one of the wealthiest countries in the world in terms of GDP per capita. Switzerland’s “AAA” rating from the three main rating agencies reflects its high average income generated by a highly developed economy, a robust and transparent institutional framework, a stable consensus-based political system and fiscal discipline. Switzerland had GDP per capita of \$43,320 for 2010 (based on purchasing power parity), compared to an estimated average for the eurozone of \$32,671 for the same period according to the IMF. Switzerland has also one of the lowest unemployment levels in Europe, with the IMF reporting a 2010 unemployment rate of 3.64%, compared to the eurozone average of 10.13%. The Swiss institutional strength is illustrated by its scoring in the 98th percentile of the World Bank’s indicator of “Government Effectiveness” and in the 96th percentile regarding “Rule of Law” in 2010, its longstanding political stability and its well established culture of consensual decision-making. Switzerland enjoys a comfortable net foreign asset position (130% of GDP at the end of 2009) and low public debt (38% of GDP in 2010). Underpinned by such solid fundamentals, the Swiss economy has achieved GDP growth of 2.1% in 2008, suffered one of the mildest declines among the OECD countries in 2009 (-1.9%) before expanding by 2.7% in 2010. In comparison, eurozone economies grew by 0.4% in 2008, declined by 4.3% in 2009 and grew by 1.8% in 2010.

The stability of the competitive environment in the Swiss mobile telecommunications market is supported by the presence of the market leading incumbent, Swisscom, with two other operators, Orange and Sunrise, holding substantial market shares. Since Orange entered the market in 1999, no new entrant has built out a nationwide network in Switzerland and the respective market shares of each of the three MNOs have remained relatively stable in the last five years. The fact that Swisscom is still majority state-owned is an additional factor of stability in the market. Swisscom’s share of the Swiss mobile subscriber market by number of subscribers was 63.0% at the end of 2005 and 62.0% at the end of 2010, Sunrise’s market share was 18.6% at the end of 2005 and 21.4% end of 2010, and our market share was 18.4% end of 2005 and 16.6% end of 2010. Our estimates show that market shares by revenues also remained relatively stable between December 31, 2009 and September 30, 2011. Swisscom’s share of the Swiss mobile subscriber market by revenues was 61% for the year ended December 31, 2009 and 61% for the nine months ended September 30, 2011, Sunrise’s market share was 18% for the year ended December 31, 2009 and 20% for the nine months ended September 30, 2011, and our market share was 20% for the year ended December 31, 2009 and 19% for the nine months ended September 30, 2011. See “*Presentation of Financial and Other Data—Market, Economic and Subscriber Data; Market Share Data—Market Share*.”

The regulatory environment in Switzerland in recent years has also contributed to market stability, with the Swiss regulatory authorities promoting industry self-regulation by agreement among operators rather than direct regulatory intervention. For example, mobile termination rates (MTRs) which mobile operators charge for calls terminating on their respective networks are determined through a bilateral agreement setting out MTRs between operators, rather than *ex ante* by a regulatory authority, as is the case in the EU. While mobile termination rates in Switzerland have followed, and are expected to continue to follow, the decline in mobile termination rates applicable in the EU countries, such decline has generally in the past followed a slower pace. See “*Regulation*.”

Resilient and Growing Market

The Swiss mobile telecommunications market has been relatively resilient to economic downturn in the past years. According to TeleGeography, the number of mobile telecommunications subscribers in Switzerland has grown by 8.0% between 2007 and 2008, by 4.5% between 2008 and 2009 and by 3.7% between 2009 and 2010. The resilient growth of the Swiss mobile telecommunications market in recent years has been supported by a

number of factors. The Swiss mobile telecommunications market is primarily a postpaid market (with an estimated 60% of mobile subscribers being postpaid subscribers), which contributes to market stability. Further, penetration rates in Switzerland are still lower than in neighboring markets. According to TeleGeography, the mobile penetration rate in Switzerland at the end of 2010 was 121%, which is below the Western European average of 128% (based on France, Germany, Italy, Spain, Portugal, the United Kingdom, Austria, Ireland, Belgium, the Netherlands and Luxembourg). According to Gartner (in *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11, update G00225179*), the number of mobile subscribers in Switzerland is expected to reach 11.7 million in 2015 compared to 9.4 million in 2010 representing a 4.5% compound annual growth rate over the period from 2010 to 2015. In addition, Switzerland's population growth created additional opportunity for subscriber growth. In 2008, Switzerland registered its biggest rise in years in the permanent-resident population amid record immigration, with the total permanent-resident population growing 1.4%, reaching 7.7 million by the end of 2008. As of December 31, 2010, the population was nearly 7.9 million.

Significant Barriers to Entry

We believe that there are significant barriers to entry for potential new competitors in Switzerland, our core market. For a new market entrant, building a mobile telecommunications network in Switzerland is complex and time- and capital-intensive, primarily due to the difficult nature of the terrain, the need for local authority approval for each site and stringent environmental regulations which are embedded in the building permit and limit radiation levels well below the EU standards, thereby requiring a greater number of sites and base stations to achieve any given network coverage compared to most other countries. In recent years, no new entrant has successfully established itself on a national scale and the market shares of the three mobile network operators, Swisscom, Orange and Sunrise, have remained relatively stable. As a result, the Swiss mobile telecommunications market has proven to be a stable three-player market of national mobile network operators. For instance, ComCom withdrew Telefonica's 3G license in 2006 because it failed to fulfill coverage requirements and Tele2 failed to deploy a nationwide network and was ultimately acquired by Sunrise in 2008.

Although current mobile network operators have no automatic right of renewal of their licenses in the forthcoming spectrum auction, certain features of the auction, in particular high reserve prices for the auctioned licenses and minimum coverage obligations that would require a bidder without an existing network to incur significant network investments, may constitute significant barriers to entry for potential new competitors. See "*Regulation—Mobile Regulatory Environment—Spectrum Auction 2012*" for further details of the spectrum auction. In a press release of April 30, 2009, OFCOM explicitly stated that it rated the prospects of a new market entrant in connection with the re-allocation of mobile radio frequencies as only slight. In addition, once acquired, the licenses to be awarded in the spectrum auction are not tradeable and will be valid until December 31, 2028.

Strong Market Share and Attractive Value Positioning

Together with Swisscom and Sunrise, we are one of the three mobile network operators in Switzerland with a nationwide network. According to our estimates, our market share among all three mobile network operators in Switzerland based on revenues for the first nine months ended September 30, 2011 was approximately 19%, while Swisscom and Sunrise commanded a 61% and 20% market share, respectively, for the same period. See "*Presentation of Financial and Other Data—Market, Economic and Subscriber Data; Market Share Data—Market Share.*" With approximately 62% of our subscribers as of September 30, 2011 being postpaid subscribers and approximately 60% of our postpaid subscribers using smartphones, we have established a firm position in the most attractive and profitable market segment and we believe we generated the highest blended ARPU in the Swiss mobile telecommunications market (CHF 55.2 for the nine months ended September 30, 2011, compared to CHF 48.0 for Swisscom and CHF 45.8 for Sunrise during the same period). Given the high level of disposable income in Switzerland, the Swiss mobile telecommunications market is generally characterized by one of the highest ARPU levels in Europe (together with Norway, France and Ireland) in absolute terms with the average Swiss mobile consumer spending \$551 in 2010, compared with the Western European average of \$388 (based on Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden and United Kingdom) according to Gartner (in *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11, update G00225179*). However, Swiss wireless expenditure, which amounted to \$4.4 billion in 2010 (Source: IDC Worldwide Black Book Q3-2011, December 2011), represented 1.1% of GDP, in line with Western European average, where expenditure was 1.1% of GDP as well (\$155.0 billion).

We believe that our attractive positioning in the higher-end postpaid market segment provides us with a solid basis to target a broader range of customers and successfully increase our subscriber base in more mass-market segments, as the success of our recent commercial offerings illustrates.

Further, we have developed strong internal capabilities to host resellers and MVNOs and have established a dedicated business unit to manage our wholesale reseller and MVNO partners. In 2011, we have gained MVNO contracts with Ortel, Transatel, and upc cablecom, three companies with the potential to become important players in the MVNO market. The mobile telecommunications market is expected to become more diversified, with resellers and MVNOs addressing specific segments to play an increasingly important role. We believe that our internal capabilities and the organization we have in place position us well in the evolving MVNO and wholesale reseller market, and make us an attractive partner for MVNOs and wholesale resellers.

Extensive, High-Quality Network Infrastructure

We operate and own one of the three nationwide mobile telecommunications networks in Switzerland. According to a performance test conducted between March and August 2011 by cnlab for Kassensturz, a Swiss consumer TV magazine, Orange provided 3G connectivity in about 80% of the consumer tests (compared to 91% for Swisscom and 64% for Sunrise) and our average download data rate as experienced by the consumers was 1.8Mbit/s (as compared to 2.1Mbit/s for Swisscom and 1.7Mbit/s for Sunrise). We also offer High Definition Voice (HD Voice) on our entire 3G network. We have the second best mobile network in Switzerland, behind Swisscom and ahead of Sunrise, according to the 2011 network performance study published by “connect” magazine that covered smartphone telephony, smartphone data, mobile broadband in cities and data on motorways.

We are further significantly strengthening our network to secure capacity for increasing data traffic, to optimize spectrum allocation, to offer improved EDGE capability, to extend our geographical coverage, to improve voice and data coverage and to make our network 4G LTE compatible. Under our investment plan, we will exchange and/or swap the access equipment on our entire 2G and 3G radio access network and upgrade it with multi-mode configuration by the end of 2012. By December 31, 2011 approximately 29% of the upgrade was completed. We anticipate that these network improvements when completed will, among other things, improve indoor and in-car performance by approximately 20% and our electricity consumption will be reduced by approximately 30% at constant traffic volume. See “*Business—Network and Infrastructure.*”

Resilient EBITDA and Strong and Stable Cash Generation

Our EBITDA has remained relatively stable since 2009 despite the decrease in MTRs during that period. At constant MTRs, our EBITDA would have increased by 3.9% between the year ended December 31, 2009 and the year ended December 31, 2010 and by 8.4% for the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010. This stability is supported by our predominantly postpaid customer base and relatively stable tariff and cost environment.

Our operations generated CHF 318.2 million, CHF 313.6 million and CHF 240.4 million of EBITDA for the year ended December 31, 2009, the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively, and CHF 193.6 million, CHF 165.8 million and CHF 150.5 million of EBITDA less capital expenditures for the year ended December 31, 2009, the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively.

Experienced and Renewed Management Team, Supported by Loyal and Committed Employee Base

We have a highly experienced and talented management team, combining international and local talent which was recently reinforced with additional international and local personnel in 2011. Most members of our senior management team have a proven track record in leading technology and telecommunications companies with an average of 19 years of industry experience and an average of 9 years within the FT Group. Our management team also has an established track record of transformation and generating growth, including, most recently, the successful repositioning of Orange over the last year, in particular with the successful launch of new and innovative mobile offerings, such as the Orange Me customizable product range, including Orange Young, an offering based on the Orange Me concept specifically dedicated to younger customers, and Orange Me PrePay, our renewed prepaid offering.

The senior management team is backed by a loyal and committed employee base. We are recognized as a “great place to work” according to surveys conducted inside and outside the FT Group. The Company is ranked among the 100 employers in Switzerland in the 2011 Universum Ideal Employer Rankings and was included in a 2011 ranking of the best employers in French speaking Switzerland of the magazine “Bilan.”

Our Strategy

Our objective is to reinforce our position in the Swiss mobile telecommunications market to become the leading mobile-centric operator in Switzerland, while growing our revenues, increasing our profitability and improving our cash flow generation.

Our management intends to accomplish these objectives by focusing on the following strategic initiatives:

- improving our penetration in mass-market customer segments through, among others, the reinforcement of our innovative *à la carte* value proposition, while protecting our well-established high-value customer base;
- continuing our efforts to improve network quality and its perception among users;
- more generally further improving customer satisfaction and loyalty and reducing churn;
- further growing our business customer base;
- further developing key partnerships in the mobile telecommunications industry, in particular with MVNOs and resellers;
- continuing our innovation efforts; and
- further improving the efficiency of our operations.

Improve penetration in mass-market customer segments while protecting well-established high-value customer base

Historically, we have focused our commercial efforts on customers that deliver the highest ARPU, in particular in the postpaid market segment. While our core strategic focus remains on the high-end of the market, we intend to leverage our experience and premium positioning to target a broader range of customers and increase our subscriber base in mass-market customer segments.

We intend to achieve this strategy through focused and targeted commercial and marketing efforts and through the further development of our *à la carte* tariffs plans. This *à la carte* approach provides customers with better transparency and maximum flexibility, allowing them to bundle voice and data products according to their preferences. This flexible value proposition will allow us to attract new customer profiles, such as younger users, while continuing to offer our higher-end customers the services that they expect from us.

Enhance user experience and quality perception through network improvement

We have significantly improved the quality of our network in recent years, having today the second best mobile network in Switzerland according to the 2011 network performance study published by “connect” magazine. We however intend to even further improve the quality of our network to enhance user experience and perception and to increase our market share.

We are in the process of swapping or exchanging the access equipment on our entire 2G and 3G radio access network and to upgrade it with multi-mode configuration to provide our customers with EDGE capabilities, to further extend our already broad geographical coverage and to make our network compatible with 4G-LTE requirements. By December 31, 2011 approximately 29% of the upgrade was completed and we intend to have this process completed by the end of 2012.

Further improve customer satisfaction and loyalty and reduce churn

Our organization has historically sought to be customer-centric and has always invested significant efforts to provide its customers with consistently high-quality services. Our management intends to cultivate and further enhance this customer oriented culture.

We intend to continue our efforts towards improving our market-leading customer care services, by enhancing control over the customer care process to improve the overall quality of our services and customer satisfaction. To best serve our customers, we intend to continue our strategy by reinsourcing or retaining in-house the critical functions of our customer care services, while continuing or increasing to outsource the non critical functions, allowing better performance and efficiency overall, including through competition between internal and external teams.

In addition, we intend to strengthen our efforts to retain our high quality customer base through the improvement of customer loyalty and reduction of churn. In 2011, we have put in place a dedicated team focusing on identifying the root causes for churn which has lead to a material reduction of churn in particular in our most valuable post-paid segment. We have defined and prioritized specific initiatives to prevent and reduce churn at an early stage, and our efforts are now focused on implementing this strategy in order to further significantly reduce our churn rates in the coming years.

Our strategy to enhance customer satisfaction and the reduction of churn also encompasses the continuation of our *à la carte* flexible tariffs approach, the enhancement of the quality of our network, the development of our direct distribution network to improve customer proximity and the improvement of our billing processes.

Grow our residential customer business through distribution efficiency and expansion

We intend to extend our distribution footprint through three main axes. First, we intend to further develop our direct distribution channels, in particular through the opening of additional own-shops. We will particularly focus these efforts in the German-speaking regions of Switzerland where our direct distribution presence has been historically less developed.

We also intend to implement a certain number of strategic actions to improve our presence in prime locations. For example, through the acquisition of the Citydisc distribution network, we have been able to access prime locations in train stations across Switzerland which are not subject to the same opening hours restrictions as other retail outlets and attract a larger number of customers.

Finally, we intend to adapt our distribution network to better address certain specific customer segments, such as business customers. We will continue to serve these customers through the multi-channel approach and dedicated sales organisation.

Further grow our business customer base

Our strategy encompasses a particular focus on postpaid business customers. In order to implement this strategy, we have put in place a strong and dedicated business unit, specifically focusing on business customers, in particular SoHos and SMEs.

Through certain partnerships, we intend to continue to offer to our business customers one-stop shop services for all basic connectivity needs: mobile and fixed voice and mobile and fixed broadband. We intend to build on our current solid position, using our flexible *à la carte* approach to tariffs and dedicated and named customer care agents, both of which cater particularly well to the requirements of business customers.

Develop MVNO agreements and other strategic partnerships

We plan to continue to nurture our existing partnerships, while exploring additional partnership opportunities. First, these partnerships allow us to leverage our primary asset: our network. By permitting MVNO and reseller partners to sell services on our network, we create additional revenues streams at a relatively low incremental cost. Second, partnerships provide additional sales capabilities, allowing us to target additional customer segments. Finally, the partnerships allow us to offer a broader product range which is particularly relevant with respect to business customers, to whom we can offer specialized products, such as integrated mobile and fixed infrastructure services, through our partnerships.

We already have a number of key partnerships in place, such as our recent arrangements with cablecom and our various outsourcing deals. We believe that there are potentially more opportunities, however, and that careful selection and implementation of strategic partnerships will allow us to gain further network market share, improve our efficiency and increase margins.

Continue our innovation efforts to offer customers new and attractive products through creative commercial offers

We have a track record of offering our customers creative products through original and differentiated commercial offers. We intend to continue our innovation efforts in order to protect our customer base, attract new customers and improve market share.

In particular, we intend to continue our efforts to offer our customers diversified and innovative data services such as mobile TV offering.

Maximize operational efficiencies and benefit from the investments into Network and IT

We have increasingly focused on efficiency improvements throughout our organization and we believe that this will lead to enhanced profitability. We intend to further improve our earnings and cash flows by reducing operating costs through a number of measures, including improvements in the distribution network and sale practices expected to reduce the proportion of sales through indirect channels, tighter steering of subscriber acquisition and retention costs by our actions on churn and rebalancing of the product portfolio towards more cost-efficient devices, unified marketing and promotion applied to the prepaid, postpaid and fixed offerings and pursuit of selective outsourcing opportunities.

We expect efficiency gains from the ongoing network upgrade, resulting in lower overall network costs. We also intend to continue our multi-year IT modernisation plan, reducing infrastructure and aiming to consolidate order management, CRM and billing services, and in-source the ISP capabilities.

In addition, we believe that we can further improve our cash flows through optimizing net working capital and applying stricter requirements for capital expenditures. We expect positive results from the ongoing e-billing initiatives and strict focus on optimizing the inventory levels.

The Acquisition

On December 23, 2011, the Senior Secured Notes Issuer entered into the Acquisition Agreement with the Seller and France Telecom to acquire all of the issued and outstanding capital stock of Orange (the “Acquisition”). The consummation of the Acquisition pursuant to the Acquisition Agreement is subject to regulatory approval and other conditions as set out therein. If such conditions are not satisfied or waived as of April 23, 2012 (or such later date as the parties to the Acquisition Agreement may agree), the Acquisition Agreement may be terminated by either party, subject to certain exceptions.

The Senior Secured Notes Issuer, a *société anonyme* organized under the laws of the Grand Duchy of Luxembourg, is a wholly owned subsidiary of the Senior Notes Issuer, a *société anonyme* organized under the laws of the Grand Duchy of Luxembourg. Each of the Senior Secured Notes Issuer and the Senior Notes Issuer were formed to facilitate the Acquisition and the financing of the Acquisition.

The Financing

The Acquisition will be financed (the “Financing”) as follows:

- the Senior Secured Notes Issuer will issue the Fixed Rate Senior Secured Notes in the amount of CHF 450 million;
- the Senior Secured Notes Issuer will issue the Floating Rate Senior Secured Notes in the amount of CHF 182 million (equivalent);
- the Senior Notes Issuer will issue the Senior Notes in the amount of CHF 272 million (equivalent);
- the Senior Secured Notes Issuer will utilize the Term Loan A Facility in the amount of CHF 225 million and the Term Loan B1 and B2 Facilities in the amount of CHF 218 million; and
- Apax will make an equity contribution for the residual amount.

The Senior Facilities also provide for a Revolving Credit Facility in the amount of CHF 100 million. The Revolving Credit Facility is not currently expected to be drawn as of the Completion Date. See “—*Sources and Uses for the Transactions.*”

The net proceeds from the Financing will be used to:

- fund the consideration payable for the capital stock of Orange purchased in the Acquisition, including any adjustments or interest payments under the Acquisition Agreement;
- fund the repayment of the remainder of the FT Intercompany Loans outstanding as of the Completion Date;
- fund the settlement of any actual or estimated potential liabilities of the Company as of the Completion Date, including in respect of the price payable for any radio frequencies awarded to it as a result of the Swiss spectrum auction;

- pay the fees and expenses in connection with the Acquisition and the Financing, including estimated fees and expenses to be incurred in connection with the Offering; and
- prefund CHF 64 million, to be left on the balance sheet, for future payments of non-recurring expenses related to the separation with France Telecom, including brand license fees.

Pending the consummation of the Acquisition, the Initial Purchasers will deposit (i) the gross proceeds from the Offering of the Fixed Rate Senior Secured Notes less certain deductions with respect to fees and expenses into a segregated Fixed Rate Senior Secured Notes escrow account in the name of the Senior Secured Notes Issuer, (ii) the gross proceeds from the Offering of the Floating Rate Senior Secured Notes less certain deductions with respect to fees and expenses into a segregated Floating Rate Senior Secured Notes escrow account in the name of the Senior Secured Notes Issuer and (iii) the gross proceeds from the Offering of the Senior Notes less certain deductions with respect to fees and expenses into a segregated Senior Notes escrow account in the name of the Senior Notes Issuer. Apax will be committed to fund any amounts deducted from the gross proceeds with respect to fees and expenses, as well as the accrued and unpaid interest and additional amounts, if any, payable to holders of the relevant Notes in the event of a special mandatory redemption. See “*Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption*” and “*Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption*.” The Fixed Rate Senior Secured Notes escrow account will be controlled by and subject to security on a first ranking basis in favor of the Senior Secured Notes Trustee on behalf of the holders of the Fixed Rate Senior Secured Notes, the Floating Rate Senior Secured Notes escrow account will be controlled by and subject to security on a first ranking basis in favor of the Senior Secured Notes Trustee on behalf of the holders of the Floating Rate Senior Secured Notes and the Senior Notes escrow account will be controlled by and subject to security on a first ranking basis in favor of the Senior Notes Trustee on behalf of the holders of the Senior Notes. The release of escrow proceeds is subject to the satisfaction of certain conditions, including the closing of the Acquisition. If the Acquisition is not consummated on or prior to May 10, 2012, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be a price equal to 100% of the aggregate issue price of each Note plus accrued and unpaid interest and additional amounts, if any, from the relevant Issue Date to the date of special mandatory redemption. See “*Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption*” and “*Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption*.”

Sources and Uses for the Transactions

The expected estimated sources and uses of the funds necessary to consummate the Acquisition are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including differences from our estimates of fees and expenses and the actual Completion Date.

Sources of Funds	(CHF in millions)	Uses of Funds	
Borrowing under the Senior Facilities Agreement ⁽¹⁾			
Term Loan A Facility ⁽²⁾	225	Purchase price ⁽³⁾	1,942
Term Loan B1 and B2 Facilities ⁽²⁾	218	Total transaction costs ⁽⁴⁾	104
		Cash on balance sheet ⁽⁵⁾	64
Fixed Rate Senior Secured Notes offered hereby	450		
Floating Rate Senior Secured Notes offered hereby	182		
Senior Notes offered hereby	272		
Equity contribution	763		
Total sources	2,110	Total uses	2,110

(1) The Senior Secured Notes Issuer entered into the Senior Facilities Agreement dated January 30, 2012, as amended on February 3, 2012, which provides for the Term Loan A Facility of a maximum amount of CHF 225.0 million, the Term Loan B1 Facility of a maximum amount of CHF 275.0 million, the Term Loan B2 Facility of a maximum amount of CHF 125.0 million, the Capex/Acquisition Facility and the Revolving Credit Facility. See “*Description of Certain Financing Arrangements*.” A portion of the Term Loan B1 and B2 Facilities, as well as the entire Capex/Acquisition Facility will be cancelled on or prior to the Completion Date. The Revolving Credit Facility is not expected to be drawn as of the Completion Date.

- (2) It is currently expected that certain facilities under the Senior Facilities Agreement will remain undrawn as of the Completion Date but may be drawn thereafter in connection with the settlement of any actual or estimated potential liabilities of the Company, including in respect of the price payable for any radio frequencies awarded to it as a result of the Swiss spectrum auction. These amounts are shown in the table above as if they were fully drawn as of the Completion Date.
- (3) The purchase price represents (i) the consideration for all of the share capital of Orange to be paid to the Seller, (ii) amounts of actual or estimated potential liabilities of the Company, including with respect to the spectrum auction, and (iii) amounts to be used for the repayment of the remainder of the FT Intercompany Loans outstanding on the Completion Date, subject to further adjustments as provided under the Acquisition Agreement. See “*Risk Factors—Risks Related to Our Market and Our Business—Orange’s licenses and permits to provide mobile services have finite terms and are subject to an auction process in Switzerland scheduled to take place in the first quarter of 2012. The results of the auction are not expected to be made public until after the completion of the Offering.*”
- (4) Estimated fees and expenses associated with the Acquisition and the Financing, including commitment, placement, financial advisory and other transaction costs and professional fees.
- (5) Corresponds to the prefunding of CHF 64.0 million, to be left on the balance sheet on the Completion Date, for future payments of non-recurring expenses related to the separation with France Telecom, including brand license fees.

Recent Developments

Preliminary results and operational data for the year ended December 31, 2011

The preliminary unaudited consolidated financial information set forth below is derived from management’s internal financial reports and has not been subjected to any external review or audit. Although this information was prepared on a basis generally consistent with that of our annual audited consolidated financial statements, adjustments during the course of an audit or review may result in changes to such information, and as a result our final published results for the year ended December 31, 2011 may differ from those presented below.

The table below sets forth selected mobile subscriber data as of December 31, 2011 and September 30, 2011.

	Mobile subscriber base		
	As of September 30, 2011	As of December 31, 2011	Change
	(thousands of subscribers and percentage, as applicable)		
Postpaid residential subscribers ⁽¹⁾⁽²⁾⁽⁴⁾	852	870	2.2%
Postpaid business subscribers ⁽¹⁾⁽²⁾⁽⁴⁾	131	133	1.9%
Prepaid residential subscribers ⁽¹⁾⁽³⁾⁽⁴⁾	602	604	0.4%
Mobile subscribers at end of period⁽¹⁾	1,584	1,607	1.5%

(1) Includes subscribers through resellers, but excludes subscribers through MVNOs as MVNOs own their subscriber base, whereas we enter into direct contractual arrangements with customers of resellers.

(2) Includes all subscribers who have an active contract.

(3) Includes any prepaid subscriber whose SIM card is connected to the network and who has had at least one chargeable outgoing traffic event (that is, voice, SMS, MMS or data) or has received four or more incoming traffic chargeable events (excluding traffic initiated by us) within the preceding three months.

(4) Includes subscribers for both handset and mobile broadband services but excludes machine-to-machine subscriptions.

The table below sets forth selected ARPU data for the years ended December 31, 2011 and 2010.

	Mobile ARPU	
	Year ended December 31, 2010	Year ended December 31, 2011
	(CHF per month / percentages)	
Voice ARPU ⁽¹⁾	39.0	36.5
Non-voice ARPU ⁽²⁾	17.1	19.1
Non-voice ARPU as a percentage of total ARPU	30.5%	34.3%
Total ARPU⁽³⁾	56.1	55.6
Of which billed ARPU ⁽⁴⁾	45.9	47.9
Increase/(decrease) in total ARPU from prior equivalent period	0.4%	(0.8%)
Increase/(decrease) in billed ARPU from prior equivalent period	2.5%	4.5%

(1) We define “voice ARPU” as the total mobile voice revenues in the period divided by the average number of mobile subscribers in the period divided by the number of months in that period.

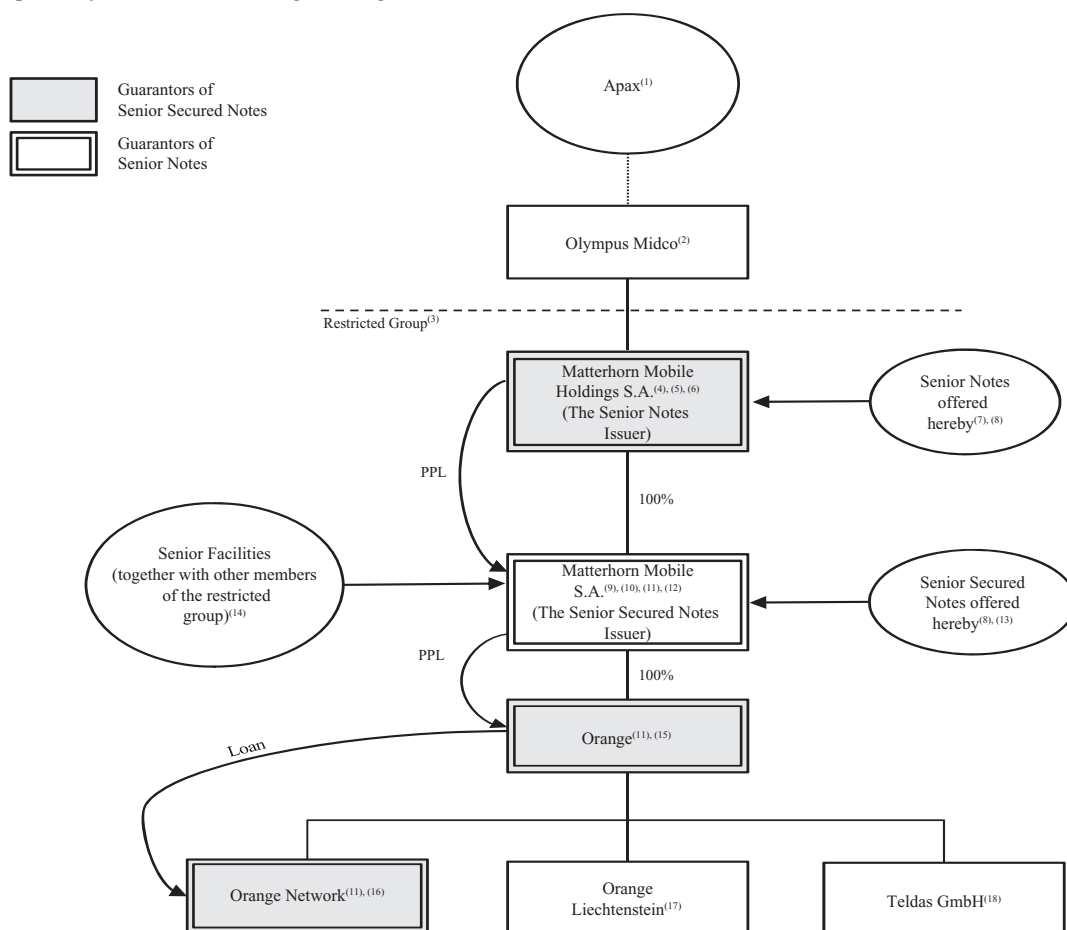
- (2) We define “non-voice ARPU” as total revenues from non-voice services (mobile SMS, MMS and data services on handsets) and mobile broadband services in the period divided by the average number of mobile subscribers in the period divided by the number of months in the period.
- (3) We define “total ARPU” as the total mobile subscriber revenues in a period divided by the average number of mobile subscribers in the period divided by the number of months in the period.
- (4) We define “billed ARPU” as the measure of the sum of the total mobile subscriber revenues excluding revenues from incoming traffic in a period divided by the average number of mobile subscribers in the period divided by the number of months in the period.
- (5) We define “the average number of mobile subscribers in the period” as the average of each month’s average number of mobile subscribers calculated as the average of the total number of mobile subscribers at the beginning of the month and the total number of mobile subscribers at the end of the month.

Our preliminary unaudited consolidated revenues for the year ended December 31, 2011 decreased by 3.6% to CHF 1,248.8 million from CHF 1,295.5 million for the year ended December 31, 2010, principally due to a continuing decline in MTRs, which more than offset the increase in our subscriber base during the period, as well as an improvement of our billed ARPU. We estimate that our EBITDA and Adjusted EBITDA for the year ended December 31, 2011 will be in line with our EBITDA and Adjusted EBITDA for the last twelve months ended September 30, 2011, respectively.

We estimate that our total capital expenditures for the year ended December 31, 2011 were approximately CHF 142 million, which related primarily to expenditures on our network (including the radio access network swap and renewal program), as well as IT.

CORPORATE STRUCTURE AND CERTAIN FINANCING ARRANGEMENTS

The following diagram shows a simplified summary of our corporate and principal financing structure after giving effect to the Transactions. The chart does not include all entities in the Group, nor all of the debt obligations thereof. The summary description presented herein of certain of the intercompany funding arrangements that will occur on or after the Completion Date is based upon the Senior Notes Issuer's current assumptions and expectations regarding the corporate structure and financing arrangements, and thus are subject to modification. For a summary of the debt obligations identified in this diagram, please refer to the sections entitled "*Capitalization*," "*Description of the Senior Secured Notes*," "*Description of the Senior Notes*," and "*Description of Certain Financing Arrangements*".



- (1) "Apax" refers to one or more funds or limited partnerships managed or advised by Apax Partners LLP or any of its affiliates or direct or indirect subsidiaries from time to time investing, directly or indirectly, in Olympus Midco. Certain members of senior management are expected to invest alongside Apax.
- (2) Prior to the Completion Date, Apax will pay CHF 763 million (the "Equity Contribution") to subscribe for ordinary shares in Olympus Midco indirectly via two intermediary Luxembourg companies.
- (3) The entities in the Restricted Group are subject to the covenants in the Senior Facilities Agreement and the Indentures.
- (4) Olympus Midco will use the CHF 763 million of Apax capital injection to subscribe for ordinary shares in the Senior Notes Issuer.
- (5) Upon receipt of the proceeds from the offering of Senior Notes on the Completion Date, the Senior Notes Issuer intends to extend a Profit Participating Loan to the Senior Secured Notes Issuer in an amount equal to the proceeds of the Senior Notes, net of any associated financing costs. See "*Description of the Senior Notes*" for further information.
- (6) The Senior Notes Issuer owns 100% of the capital stock of the Senior Secured Notes Issuer and has no other subsidiaries.
- (7) The Senior Notes Issuer will issue €225 million (CHF 272 million equivalent) aggregate principal amount of Senior Notes. The Senior Notes will be senior obligations of the Senior Notes Issuer and will, as of the Issue Date, be guaranteed on a senior subordinated basis by the Senior Secured Notes Issuer. Within 60 days of the Completion Date, the Senior Notes will be guaranteed on a senior subordinated basis by Orange and Orange Network. On the Completion Date, the Senior Notes will be secured on a second priority basis (subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens) over shares of capital stock of the Senior Secured Notes Issuer and loans made by the Senior Notes Issuer to the Senior Secured Notes Issuer, including the Profit Participating Loan. See "*Description of the Senior Notes*" for further information.

- (8) The guarantees of the Senior Notes and the Senior Secured Notes will be subject to certain limitations under applicable law, as described under *“Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.”*
- (9) The Senior Notes Issuer will use CHF 763 million (corresponding to the proceeds of the Equity Contribution) to subscribe for ordinary shares in the Senior Secured Notes Issuer.
- (10) Following the receipt of the proceeds from the offering of Senior Secured Notes on the Completion Date and the payment of the consideration for the Acquisition, the Senior Secured Notes Issuer intends to extend a Profit Participating Loan to Orange in an amount equal to the Equity Contribution, Term Loan A Facility, Term Loan B1 Facility, the Senior Notes and the Senior Secured Notes, less amounts used to acquire the shares of Orange and to pay transaction costs and other fees.
- (11) As soon as reasonably practicable after the Completion Date, it is intended to use the distributable reserves available at Orange to declare a dividend to the Senior Secured Notes Issuer that will be left outstanding and documented in the form of a Profit Participation Loan. In addition, on or around the spectrum liability settlement date, the Senior Secured Notes Issuer intends to extend a Profit Participation Loan to Orange in an amount equal to any liability of Orange with respect to the price payable for any radio frequencies awarded to it as a result of the spectrum auction. Following the receipt of the proceeds of the Profit Participation Loan, it is expected that Orange will extend a loan of the same amount to Orange Network. Further it is expected that Orange Network will use the proceeds from the loan to settle any liability of Orange with respect to the price payable for any radio frequencies awarded to it as a result of the spectrum auction.
- (12) The Senior Secured Notes Issuer owns 100% of the capital stock of Orange and has no other subsidiaries.
- (13) The Senior Secured Notes Issuer will issue CHF 450 million aggregate principal amount of Fixed Rate Senior Secured Notes and €150 million (CHF 182 million equivalent) aggregate principal amount of Floating Rate Senior Secured Notes. The Senior Secured Notes will be senior obligations of the Senior Secured Notes Issuer and will, as of the Issue Date, be guaranteed on a senior basis by the Senior Notes Issuer. On the Completion Date, the Senior Secured Notes will be secured on a first priority basis, subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over shares of capital stock of each of Orange and the Senior Secured Notes Issuer, certain bank accounts, and loans made by the Senior Notes Issuer to the Senior Secured Notes Issuer, including the Profit Participating Loan. Within 60 days of the Completion Date, the Senior Secured Notes will also be guaranteed on a senior basis by Orange and Orange Network, and will be secured on a first priority basis, subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over shares of capital stock of Orange Network, and the material assets of Orange and Orange Network, including operating bank accounts and intercompany receivables, and the loans made by the Senior Secured Notes Issuer to Orange, including the Profit Participating Loan. See *“Description of the Senior Secured Notes”* for further information.
- (14) The Senior Secured Notes Issuer entered into the Senior Facilities Agreement dated January 30, 2012, as amended on February 3, 2012, which provides for the Term Loan A Facility of a maximum amount of CHF 225.0 million, the Term Loan B1 Facility of a maximum amount of CHF 275.0 million, the Term Loan B2 Facility of a maximum amount of CHF 125.0 million, the Capex/Acquisition Facility and the Revolving Credit Facility. See *“Description of Certain Financing Arrangements.”* A portion of the Term Loan B1 and B2 Facilities, as well as the entire Capex/Acquisition Facility will be cancelled on or prior to the Completion Date. The Revolving Credit Facility is not expected to be drawn as of the Completion Date. The same assets that will initially secure Senior Secured Notes will also secure our Senior Facilities on an equal and ratable first-priority basis. See *“Description of Certain Financing Arrangements—Senior Facilities Agreement”* for further information.
- (15) Following the receipt of the proceeds of the Profit Participating Loan from the Senior Secured Notes Issuer, it is expected that Orange will extend a loan of the same amount to Orange Network.
- (16) It is expected that Orange Network will use the proceeds of the loan from Orange together with available cash on the balance sheet to repay the CHF 917.0 million FT Intercompany Loans.
- (17) As of and for the twelve months ended September 30, 2011, the EBITDA and assets of the non-guarantor subsidiaries did not represent a material part of the consolidated EBITDA and assets of the Orange Group.
- (18) Orange owns 23.0% of the capital stock of Teldas GmbH, which will not be a guarantor of either the Senior Secured Notes or the Senior Notes.

THE OFFERINGS

The following is a brief summary of certain terms of the Offering of the Fixed Rate Senior Secured Notes, the Floating Rate Senior Secured Notes and the Senior Notes. It may not contain all the information that is important to you. For additional information regarding the Notes and the Notes Guarantees, see “*Description of the Senior Secured Notes*,” “*Description of the Senior Notes*” and “*Description of Certain Financing Arrangements—Intercreditor Agreement*.”

Issuer

Fixed Rate Senior Secured Notes	Matterhorn Mobile S.A. (the “Senior Secured Notes Issuer”).
Floating Rate Senior Secured Notes . .	The Senior Secured Notes Issuer.
Senior Notes	Matterhorn Mobile Holdings S.A. (the “Senior Notes Issuer” and, together with the Senior Secured Notes Issuer, the “Issuers”).

Notes Offered

Fixed Rate Senior Secured Notes	CHF 450,000,000 aggregate principal amount of 6.75% Senior Secured Notes due 2019 (the “Fixed Rate Senior Secured Notes”).
Floating Rate Senior Secured Notes . .	€150,000,000 aggregate principal amount of floating rate Senior Secured Notes due 2019 (the “Floating Rate Senior Secured Notes” and, together with the Fixed Rate Senior Secured Notes, the “Senior Secured Notes”).
Senior Notes	€225,000,000 aggregate principal amount of 8.25% Senior Notes due 2020 (the “Senior Notes”).

Issue Date	On or about February 10, 2012 (the “Issue Date”).
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Issue Price

Fixed Rate Senior Secured Notes	100.00% (plus accrued and unpaid interest from the Issue Date).
Floating Rate Senior Secured Notes . .	99.00% (plus accrued and unpaid interest from the Issue Date).
Senior Notes	100.00% (plus accrued and unpaid interest from the Issue Date).

Maturity Date

Fixed Rate Senior Secured Notes	May 15, 2019.
Floating Rate Senior Secured Notes . .	May 15, 2019.
Senior Notes	February 15, 2020.

Interest

Fixed Rate Senior Secured Notes	6.75%.
Floating Rate Senior Secured Notes . .	Floating rate interest equal to three-month EURIBOR plus 5.25%, as determined by the calculation agent. The interest rate on the Floating Rate Senior Secured Notes for each subsequent interest period will be reset quarterly on each interest payment date. The floating interest rate will be reset quarterly on the second business day prior to the applicable interest payment date, except that the initial interest determination date will be February 8, 2012.
Senior Notes	8.25%.
Interest Payment Dates	In the case of the Fixed Rate Senior Secured Notes and the Senior Notes, semi-annually in arrears on each February 15 and August 15, commencing on August 15, 2012. In the case of the Floating Rate Senior Secured Notes, quarterly each February 15, May 15, August 15 and November 15, commencing May 15, 2012. Interest will accrue from the Issue Date.
Form of Denomination	Each Fixed Rate Senior Secured Note will have a minimum denomination of CHF 150,000 and integral multiples of CHF 1,000 in excess thereof. Each Floating Rate Senior Secured Note and each Senior Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.

Ranking of the Notes

Senior Secured Notes

The Senior Secured Notes will:

- be general, senior obligations of the Senior Secured Notes Issuer, secured as set forth below under “—*Security*;”
- rank *pari passu* in right of payment with (i) all of the Senior Secured Notes Issuer’s existing and future senior indebtedness, including any indebtedness under the Senior Facilities, and (ii) any hedging obligations in respect of the Senior Facilities, the Senior Secured Notes, the Senior Notes and certain other future indebtedness;
- rank senior in right of payment to all existing and future subordinated indebtedness of the Senior Secured Notes Issuer, including the guarantee given by the Senior Secured Notes Issuer in favor of the Senior Notes;
- be effectively subordinated to any existing and future indebtedness of the Senior Secured Notes Issuer that is secured by property or assets that do not secure the Senior Secured Notes, to the extent of the value of the property or assets securing such indebtedness; and
- to be effectively subordinated to any existing and future indebtedness of subsidiaries of the Senior Secured Notes Issuer that do not guarantee the Senior Secured Notes.

Senior Notes

The Senior Notes will:

- be general, senior obligations of the Senior Notes Issuer, secured as set forth below under “—*Security*;”
- rank *pari passu* in right of payment with all of the Senior Notes Issuer’s existing and future senior indebtedness, including the guarantee given by the Senior Notes Issuer in favor of the Senior Facilities and the Senior Secured Notes;
- rank senior in right of payment to all existing and future subordinated indebtedness of the Senior Notes Issuer;
- be effectively subordinated to any existing and future indebtedness of the Senior Notes Issuer that is secured by property or assets that do not secure the Senior Notes on an equal basis, to the extent of the value of the property or assets securing such indebtedness, including the guarantees given by the Senior Notes Issuer in favour of the Senior Facilities, the Senior Secured Notes and any hedging obligations in respect of the Senior Facilities, the Senior Secured Notes and the Senior Notes; and
- be effectively subordinated to any existing and future indebtedness of subsidiaries of the Senior Notes Issuer that do not guarantee the Senior Notes.

The Senior Notes will be subject to the terms of the Intercreditor Agreement, including, subject to certain exceptions, payment blockage upon a senior default and certain limitations on enforcement actions with respect to the Senior Notes Issuer. See “*Risk Factors—Risks Related to the Notes—The Senior Notes Guarantees will be subordinated to our existing and future senior debt and the Senior Notes are subject to restrictions on payment and enforcement*” and “*Description of Certain Financing Arrangements—Intercreditor Agreement.*”

Guarantees

Senior Secured Notes

The Senior Secured Notes Issuer's obligations under the Senior Secured Notes (including in respect of the full amount of principal and interest under the Senior Secured Notes) will be guaranteed (the "Senior Secured Notes Guarantees") on a senior basis by the Senior Notes Issuer as of the Issue Date and by Orange and Orange Network (together with Orange, the Senior Notes Issuer and any future subsidiary guarantors, the "Senior Secured Notes Guarantors") within 60 days of the Completion Date. The Senior Secured Notes Guarantee of the Senior Notes Issuer will be limited under Luxembourg law and the Senior Secured Notes Guarantees of Orange and Orange Network will be limited under Swiss law, each as described under "*Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability,*" "*—The Swiss collateral is subject to hardening periods and the Swiss guarantees are subject to fraudulent transfer*" and "*—The insolvency laws of Luxembourg and Switzerland may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.*"

As of and for the nine months ended September 30, 2011, after giving effect to the Transactions, the Senior Secured Notes Issuer's subsidiaries that will not guarantee the Senior Secured Notes would have represented a non-material amount of consolidated EBITDA, revenues and assets.

Senior Notes

The Senior Notes Issuer's obligations under the Senior Notes (including in respect of the full amount of principal and interest under the Senior Notes) will be guaranteed (the "Senior Notes Guarantees" and, together with the Senior Secured Notes Guarantees, the "Notes Guarantees") on a senior subordinated basis by the Senior Secured Notes Issuer as of the Issue Date and on a senior subordinated basis by Orange and Orange Network SA (together with Orange, the Senior Secured Notes Issuer and any future subsidiary guarantors, the "Senior Notes Guarantors") within 60 days of the Completion Date. The Senior Notes Guarantee of the Senior Secured Notes Issuer will be limited under Luxembourg law and the Senior Notes Guarantees of Orange and Orange Network SA will be limited under Swiss law, each as described under "*Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability,*" "*—The Swiss collateral is subject to hardening periods and the Swiss guarantees are subject to fraudulent transfer*" and "*—The insolvency laws of Luxembourg and Switzerland may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.*"

As of and for the nine months ended September 30, 2011, after giving effect to the Transactions, the Senior Notes Issuer's subsidiaries that will not guarantee the Senior Notes would have represented a non-material amount of consolidated EBITDA, revenues and assets.

Ranking of the Guarantees

Senior Secured Notes

Each Senior Secured Notes Guarantee will be a general senior obligation of the relevant Guarantor and will:

- rank *pari passu* in right of payment with all of the Senior Secured Notes Guarantors' existing and future senior indebtedness,

including (i) any indebtedness under the Senior Facilities, (ii) the Senior Notes Issuer's indebtedness under the Senior Notes, and (iii) any hedging obligations in respect of the Senior Facilities, the Senior Secured Notes, the Senior Notes and certain other future indebtedness;

- rank senior in right of payment to all existing and future subordinated indebtedness of the Senior Secured Notes Guarantors, including the Senior Notes Guarantees; and
- be effectively subordinated to any existing and future indebtedness of the Senior Secured Notes Guarantors that is secured by property or assets that do not secure the Senior Secured Notes Guarantors' guarantees of the Senior Secured Notes on an equal basis, to the extent of the value of the property or assets securing such indebtedness.

The Senior Secured Notes Guarantees will be subject to the terms of the Intercreditor Agreement. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

The Senior Secured Notes Guarantees will be subject to release under certain circumstances. See "*Description of the Senior Secured Notes—Guarantees.*"

Senior Notes

Each Senior Notes Guarantee will be a general senior subordinated obligation of the relevant Guarantor and will:

- be subordinated in right of payment to all of the Senior Notes Guarantors' existing and future senior indebtedness, including any indebtedness under the Senior Facilities, the Senior Secured Notes and any hedging obligations in respect of the Senior Facilities, the Senior Secured Notes, the Senior Notes and certain other future indebtedness;
- rank senior in right of payment to all existing and future indebtedness of the Senior Notes Guarantors that is expressly subordinated to the Senior Notes Guarantees; and
- be effectively subordinated to any existing and future indebtedness of the Senior Notes Guarantors that is secured by property or assets that do not secure the Senior Notes Guarantees on an equal basis, to the extent of the value of the property or assets securing such indebtedness.

The Senior Notes Guarantees will be subject to the terms of the Intercreditor Agreement, including payment blockage upon a senior default and standstills on enforcement. See "*Risk Factors—Risks Related to the Notes—The Senior Notes Guarantees will be subordinated to our existing and future senior debt and the Senior Notes are subject to restrictions on payment and enforcement*" and "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

The Senior Notes Guarantees will be subject to release under certain circumstances. See "*Description of the Senior Notes—Guarantees.*"

Security

Senior Secured Notes

On or prior to the Completion Date, the Senior Secured Notes will be secured on an equal and ratable first-priority basis, subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over:

- shares of capital stock of each of Orange and the Senior Secured Notes Issuer;

- certain bank accounts;
- loans made by the Senior Notes Issuer to the Senior Secured Notes Issuer, including the Profit Participating Loan; and
- the rights of the Senior Secured Notes Issuer under the documents governing the Acquisition.

Within 60 days of the Completion Date, the Senior Secured Notes and the Senior Secured Notes Guarantees will also be secured on an equal and ratable first-priority basis, subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over:

- shares of capital stock of Orange Network and the material assets of Orange and Orange Network, including operating bank accounts and intercompany receivables; and
- loans made by the Senior Secured Notes Issuer to Orange, including the Profit Participating Loan.

The Senior Facilities Agreement will be secured by first-ranking liens granted on an equal and ratable first-priority basis over the same assets that secure the Senior Secured Notes. See *“Risk Factors—Risks Related to the Notes—The Senior Notes Guarantees will be subordinated to our existing and future senior debt and the Senior Notes are subject to restrictions on payment and enforcement”* and *“Description of Certain Financing Arrangements—Senior Facilities Agreement.”*

Senior Notes

On the Completion Date, the Senior Notes and the Senior Notes Guarantees will be secured on a second-priority basis, subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over:

- shares of capital stock of the Senior Secured Notes Issuer; and
- loans made by the Senior Notes Issuer to the Senior Secured Notes Issuer, including the Profit Participating Loan.

General

The security granted by the Senior Notes Issuer and the Senior Secured Notes Issuer will be limited under Luxembourg law and the security granted, or in respect of, by Orange and Orange Network will be limited under Swiss law, each as described under *“Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability,”—The Swiss collateral is subject to hardening periods and the Swiss guarantees are subject to fraudulent transfer”* and *“—The insolvency laws of Luxembourg and Switzerland may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.”*

The liens and security interests securing the Senior Notes and the Senior Secured Notes may be released under certain circumstances. See *“Risk Factors—Risks Related to Our Structure—There are circumstances other than repayment or discharge of the Notes under which the collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the relevant Trustee,” “Description of Certain Financing Arrangements—Intercreditor Agreement,” “Description of the Senior Secured Notes—Security—Release of Liens”* and *“Description of the Senior Notes—Security—Release of Liens.”*

Escrow of Proceeds; Special

Mandatory Redemption

Pending the consummation of the Acquisition, the Initial Purchasers will deposit (i) the gross proceeds less certain deductions with respect to fees and expenses from the Offering of the Fixed Rate Senior Secured Notes into a segregated Fixed Rate Senior Secured Notes escrow account, (ii) the gross proceeds less certain deductions with respect to fees and expenses from the Offering of the Floating Rate Senior Secured Notes into a segregated Floating Rate Senior Secured Notes escrow account and (iii) the gross proceeds less certain deductions with respect to fees and expenses from the Offering of the Senior Notes into a segregated Senior Notes escrow account with the relevant escrow agent. The Fixed Rate Senior Secured Notes escrow account will be controlled by, and pledged on a first-ranking basis in favor of, the Senior Secured Notes Trustee on behalf of the holders of the Fixed Rate Senior Secured Notes, the Floating Rate Senior Secured Notes escrow account will be controlled by, and pledged on a first-ranking basis in favor of, the Senior Secured Notes Trustee on behalf of the holders of the Floating Rate Senior Secured Notes and the Senior Notes escrow account will be controlled by, and pledged on a first-ranking basis in favor of, the Senior Notes Trustee on behalf of the holders of the Senior Notes. Upon delivery to the applicable escrow agent of an officer's certificate stating that the conditions to the release of the proceeds from escrow are satisfied, the escrowed funds will be released to the relevant Issuer and utilized as described in "*The Acquisition*," "*Use of Proceeds*," "*Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption*" and "*Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption*." The release of escrow proceeds will be subject to the satisfaction of certain conditions, including the closing of the Acquisition. The consummation of the Acquisition pursuant to the Acquisition Agreement is subject to the satisfaction of certain conditions, including regulatory approval.

In the event that (a) the Completion Date does not take place on or prior to May 10, 2012, (b) in the reasonable judgment of the relevant Issuer, the Acquisition will not be consummated on or prior to May 10, 2012, (c) the Acquisition Agreement terminates at any time on or prior to May 10, 2012, or (d) there is an event of bankruptcy, insolvency, or court protection with respect to the Senior Secured Notes Issuer or the Senior Notes Issuer on or prior to May 10, 2012, each series of Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be a price equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the relevant Issue Date for the Notes to the date of special mandatory redemption. The relevant escrow funds would be applied to pay for any such special mandatory redemption. One or more funds or limited partnerships managed or advised by Apax will provide a commitment to fund the accrued and unpaid interest and additional amounts, if any, payable to holders of the relevant Notes in the event of a special mandatory redemption. See "*Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption*" and "*Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption*."

Additional Amounts Any payments made by each of the Issuers or any Guarantor with respect to the relevant Notes will be made without withholding or deduction for taxes in any relevant taxing jurisdiction unless required by law. If any of the Issuers or Guarantors are required by law to withhold or deduct for such taxes with respect to a payment to the holders of Notes, the relevant Issuer or Guarantor 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, subject to certain exceptions. See “*Description of the Senior Secured Notes—Withholding Taxes*” and “*Description of the Senior Notes—Withholding Taxes*.”

Optional Redemption

Fixed Rate Senior Secured Notes Prior to February 15, 2015, the Senior Secured Notes Issuer will be entitled at its option to redeem all or a portion of the Fixed Rate Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Fixed Rate Senior Secured Notes plus the applicable “make-whole” premium described in this Prospectus and accrued and unpaid interest to the redemption date.

On or after February 15, 2015, the Senior Secured Notes Issuer will be entitled at its option to redeem all or a portion of the Fixed Rate Senior Secured Notes at the applicable redemption prices set forth under the caption “*Description of the Senior Secured Notes—Optional Redemption—Optional Redemption of the CHF Fixed Rate Notes*” plus accrued and unpaid interest to the redemption date.

Prior to February 15, 2015, the Senior Secured Notes Issuer will be entitled at its option on one or more occasions to redeem the Fixed Rate Senior Secured Notes in an aggregate principal amount not to exceed 40% of the aggregate principal amount of the Fixed Rate Senior Secured Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 106.75% of the principal amount outstanding in respect of the Fixed Rate Senior Secured Notes, plus accrued and unpaid interest to the redemption date, so long as at least 60% of the aggregate principal amount of the Fixed Rate Senior Secured Notes remains outstanding immediately after each such redemption and each such redemption occurs within 180 days after the closing date of the relevant equity offering.

At any time on or after the 12-month anniversary of the Issue Date but on or prior to the 36-month anniversary of the Issue Date, the Senior Secured Notes Issuer may, at its option, following completion of certain exchange transactions, redeem all, but not less than all, of the Fixed Rate Senior Secured Notes at the prices and on the terms and conditions set forth under the caption “*Description of the Senior Secured Notes—Optional Redemption—Optional Redemption of the CHF Fixed Rate Notes*.”

Floating Rate Senior Secured Notes . . . Prior to February 15, 2013, the Senior Secured Notes Issuer will be entitled at its option to redeem all or a portion of the Floating Rate Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Floating Rate Senior Secured Notes plus the applicable “make-whole” premium described in this Prospectus and accrued and unpaid interest to the redemption date.

On or after February 15, 2013, the Senior Secured Notes Issuer will be entitled at its option to redeem all or a portion of the Floating Rate Senior Secured Notes at the applicable redemption prices set forth

	<p>under the caption “<i>Description of the Senior Secured Notes—Optional Redemption—Optional Redemption of the Euro Floating Rate Notes</i>” plus accrued and unpaid interest to the redemption date.</p>
Senior Notes	<p>Prior to February 15, 2016, the Senior Notes Issuer will be entitled at its option to redeem all or a portion of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes plus the applicable “make-whole” premium described in this Prospectus and accrued and unpaid interest to the redemption date.</p> <p>On or after February 15, 2016, the Senior Notes Issuer will be entitled at its option to redeem all or a portion of the Senior Notes at the redemption prices set forth under the caption “<i>Description of the Senior Notes—Optional Redemption</i>” plus accrued and unpaid interest to the redemption date.</p> <p>Prior to February 15, 2015, the Senior Notes Issuer will be entitled at its option on one or more occasions to redeem the Senior Notes in an aggregate principal amount not to exceed 40% of the aggregate principal amount of the Senior Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 108.25% of the principal amount outstanding in respect of the Senior Notes, plus accrued and unpaid interest to the redemption date, so long as at least 60% of the aggregate principal amount of the Senior Notes remains outstanding immediately after each such redemption and each such redemption occurs within 180 days after the closing date of the relevant equity offering.</p> <p>At any time on or after the 12-month anniversary of the Issue Date but on or prior to the 36-month anniversary of the Issue Date, the Senior Notes Issuer may, at its option, following completion of certain exchange transactions, redeem all, but not less than all, of the Senior Notes at the prices and on the terms and conditions set forth under the caption “<i>Description of the Senior Notes—Optional Redemption.</i>”</p>
Optional Redemption for Tax Reasons	<p>In the event of certain developments affecting taxation or certain other circumstances, the Issuers may redeem the relevant 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. See “<i>Description of the Senior Secured Notes—Redemption for Taxation Reasons</i>” and “<i>Description of the Senior Notes—Redemption for Taxation Reasons.</i>”</p>
Change of Control	<p>Upon the occurrence of certain events defined as constituting a specified change of control event, the Issuers may be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. A specified change of control event will not be deemed to have occurred if certain consolidated leverage ratios are not exceeded as a result of such event. See “<i>Description of the Senior Secured Notes—Change of Control</i>” and “<i>Description of the Senior Notes—Change of Control.</i>”</p>
Certain Covenants	<p>Each Indenture, among other things, will restrict the ability of the relevant Issuer and the restricted subsidiaries of the relevant Issuer to:</p>

	<ul style="list-style-type: none"> • incur or guarantee additional indebtedness and issue certain preferred stock; • in the case of the Senior Notes, layer debt of the Senior Notes Guarantors; • create or incur certain liens; • make certain payments, including dividends or other distributions, with respect to the shares of the relevant Issuer or its restricted subsidiaries; • prepay or redeem subordinated debt or equity; • make certain investments; • create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the relevant Issuer or any of its respective restricted subsidiaries; • sell, lease or transfer certain assets including stock of restricted subsidiaries; • engage in certain transactions with affiliates; • enter into unrelated businesses or engage in prohibited activities; • consolidate or merge with other entities; • impair the security interests for the benefit of the holders of the Notes; and • amend certain documents. <p>Each of these covenants is subject to significant exceptions and qualifications. See “<i>Description of the Senior Secured Notes—Certain Covenants</i>” and “<i>Description of the Senior Notes—Certain Covenants</i>.”</p>
Transfer Restrictions	The Notes and the Notes Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction and are subject to restrictions on transferability and resale. See “ <i>Notice to Investors</i> .” We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer).
No Prior Market	The Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have advised 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, there is no assurance that an active trading market will develop for the Notes.
Listing	Application has been made to have the Fixed Rate Senior Secured Notes, the Floating Rate Senior Secured Notes and the Senior Notes admitted for trading on the Euro MTF market, and to list the Fixed Rate Senior Secured Notes and the Senior Notes on the Official List of the Luxembourg Stock Exchange.
Governing Law for the Notes, Notes Guarantees and the Indentures	New York law.
Governing Law for the Intercreditor Agreement	English law.
Governing Law for the Security Documents	English, Luxembourg and Swiss law.
Trustee	
Senior Secured Notes	Deutsche Trustee Company Limited.

Senior Notes Deutsche Trustee Company Limited.

**Registrar, Luxembourg Listing
Agent, Paying Agent and Transfer
Agent**

Senior Secured Notes Deutsche Bank Luxembourg S.A.

Senior Notes Deutsche Bank Luxembourg S.A.

Principal Paying Agent

Senior Secured Notes Deutsche Bank AG, London Branch.

Senior Notes Deutsche Bank AG, London Branch.

Calculation Agent

Floating Rate Senior Secured Notes .. Deutsche Bank AG, London Branch.

Security Agent

Senior Secured Notes UBS AG, London Branch.

Senior Notes UBS AG, London Branch.

Escrow Agent

Senior Secured Notes Deutsche Bank AG, London Branch.

Senior Notes Deutsche Bank AG, London Branch.

ISIN

Fixed Rated Senior Secured Notes ... Reg S: XS0742406407; Rule 144A: XS0742406829

Floating Rate Senior Secured Notes .. Reg S: XS0744127936; Rule 144A: XS0744442533

Senior Notes Reg S: XS0742407983; Rule 144A: XS0742408106

Common Codes

Fixed Rated Senior Secured Notes ... Reg S: 074240640; Rule 144A: 074240682

Floating Rate Senior Secured Notes .. Reg S: 074412793; Rule 144A: 074444253

Senior Notes Reg S: 074240798; Rule 144A: 074240810

RISK FACTORS

Investing in the Notes involves substantial risks. See the “*Risk Factors*” section of this Prospectus for a more complete description of certain risks that you should carefully consider before investing in the Notes. However, this Prospectus does not include or describe all of the risks of an investment in the Notes.

SUMMARY HISTORICAL FINANCIAL INFORMATION AND OTHER DATA

The tables below set forth the summary historical consolidated financial information and other data of the Company at the dates and for the periods indicated.

The summary consolidated income statement, balance sheet and cash flow information for the Company set forth below as of and for the years ended December 31, 2009 and 2010 was derived from the audited consolidated financial statements of the Company, prepared in accordance with IFRS and included elsewhere in this Prospectus. The summary unaudited condensed consolidated income statement, balance sheet and cash flow information set forth below for the Company as of and for the nine months ended September 30, 2010 and 2011 was derived from the unaudited condensed consolidated interim financial statements of the Company, prepared in accordance with IFRS and included elsewhere in this Prospectus.

The Acquisition, which gave rise to a change of control for IFRS accounting purposes, will be accounted for using the purchase method of accounting. Under IFRS 3 “Business Combinations,” the cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred and the equity interests issued by the acquirer, including the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the acquirer’s share of the identifiable net assets acquired is recorded as goodwill. Since the acquisition has only recently been consummated, we have not identified the fair value of assets acquired and liabilities to be assumed at the date of the Acquisition. In accordance with IFRS, we have up to 12 months from the date of Acquisition to finalize the allocation of the purchase price.

Certain unaudited “as adjusted” financial data presented below provides information on an as adjusted basis to give effect to the Offering and the application of the net proceeds thereof as described in “*Use of Proceeds*.” The financial information has been prepared for illustrative purposes only and does not represent what our actual results would have been had the issuance of the Notes and the application of the proceeds thereof occurred on January 1, 2010 or what our actual financial debt or cash debt service costs would have been had the issuance of the Notes and the application of the proceeds thereof occurred on September 30, 2010 and January 1, 2010, respectively, nor does it purport to project our financial debt or cash debt service costs at any future date. The unaudited financial data has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Directive or any generally accepted accounting standards. Neither the assumptions underlying the adjustments nor the resulting “as adjusted” financial information have been audited or reviewed in accordance with any generally accepted auditing standards.

The Company’s consolidated historical financial information and other data should be read in conjunction with the information contained in “*Use of Proceeds*,” “*Capitalization*,” “*Selected Historical Financial Information*,” “*Management Discussion and Analysis of Financial Condition and Results of Operations*” and our consolidated financial statements included elsewhere in this Prospectus.

Summary Consolidated Income Statement Information

	For the year ended December 31,		For the nine months ended September 30,	
	2009	2010	2010	2011
	(Unaudited)			
	(CHF in thousands)			
Revenues	1,295,741	1,295,453	975,806	923,207
Access back bone and interconnection	(239,582)	(239,586)	(183,922)	(172,331)
Commercial expenses and cost of equipment sold	(359,614)	(370,586)	(261,407)	(250,040)
Network, IT, property expenses and other purchases	(193,519)	(197,300)	(150,879)	(128,538)
Labor expenses	(140,739)	(137,572)	(102,768)	(107,032)
Other operating expenses	(28,362)	(18,510)	(15,752)	(16,533)
Other operating income	18,913	19,664	14,744	15,328
Restructuring and transaction costs	(1,291)	(6,944)	(8,837)	(1,238)
Corporate and brand fees	(33,326)	(31,060)	(24,707)	(22,435)
Depreciation, amortization and impairment	(215,313)	(185,244)	(141,568)	(145,362)
Operating income	102,908	128,316	100,711	95,026
Financial expenses	(23,003)	(20,197)	(15,599)	(14,507)
Financial income	3,949	4,016	2,395	1,380
Net financial costs	(19,054)	(16,181)	(13,204)	(13,127)
Net income before tax	83,854	112,135	87,507	81,899
Income tax	(2,602)	(16,384)	(7,094)	(13)
Net income	81,252	95,751	80,413	81,886
Net income attributable to equity owners	81,252	95,751	80,413	81,886

Summary Statement of Financial Position Information

	For the year ended December 31,		For the nine months ended September 30,
	2009	2010	2011
	(Unaudited)		
	(CHF in thousands)		
Total non-current assets	1,066,252	1,023,040	990,408
Total current assets	771,474	572,523	727,897
Total Assets	1,837,726	1,595,563	1,718,305
Total non-current liabilities	(963,336)	(987,470)	(1,041,815)
Total current liabilities	(511,079)	(467,183)	(466,178)
Total Liabilities	(1,474,415)	(1,454,653)	(1,507,993)
Total Equity	363,311	140,910	210,311
Total Equity and Liabilities	1,837,726	1,595,563	1,718,305

Summary Consolidated Cash Flow Information

	For the year ended December 31,		For the nine months ended September 30,	
	2009	2010	2010	2011
	(Unaudited)			
	(CHF in thousands)			
Net cash provided by operating activities	333,314	327,452	277,060	194,660
Net cash used in investing activities	(135,352)	(158,238)	(111,767)	(95,577)
Net cash used in financing activities	(388)	(300,232)	(179)	(68)

Other Financial Data

	Year ended December 31,		Nine months ended September 30,		Last twelve months ended September 30,
	2009	2010	2010	2011	2011
	(Unaudited)				(Unaudited)
	(CHF in thousands, except for the ratios)				
Network revenues	1,128,320	1,124,757	857,170	823,419	1,091,006
Mobile subscriber revenues	1,044,433	1,047,448	796,935	778,574	1,029,087
Voice revenues	764,214	728,257	561,929	511,262	677,590
Non-voice revenues	280,219	319,191	235,006	267,312	351,497
Handsets revenues	263,969	293,816	215,939	248,961	326,838
Mobile broadband revenues	16,250	25,375	19,067	18,351	24,659
Postpaid residential	765,303	772,201	587,686	585,572	770,091
Prepaid residential	129,470	116,182	89,501	75,206	101,886
Postpaid business	149,660	159,065	119,748	117,796	157,110
Other network revenues	83,887	77,309	60,234	44,845	61,919
Equipment revenues	110,697	113,635	76,990	65,026	101,671
Other mobile services	49,905	48,333	35,223	28,503	41,613
Fixed line home revenues	5,530	5,509	4,205	3,497	4,801
Fixed line enterprise revenues	1,289	3,219	2,218	2,762	3,763
Total revenuesⁱ	1,295,741	1,295,453	975,806	923,207	1,242,854
EBITDA ⁱⁱ	318,221	313,560	242,279	240,388	311,669
EBITDA Margin ⁱⁱ	24.6%	24.2%	24.8%	26.0%	25.1%
Adjusted EBITDAⁱⁱ	352,838	351,564	275,823	264,061	339,802
Adjusted EBITDA Margin ⁱⁱⁱ	27.2%	27.1%	28.3%	28.6%	27.3%
Capital expenditure	124,625	147,720	93,758	89,913	143,875
Capital expenditure as a percentage of total revenues	9.6%	11.4%	9.6%	9.7%	11.6%
<i>Pro forma</i> cash interest expense ⁱⁱⁱ	—	—	—	—	89,018
As adjusted total debt ^{iv}	—	—	—	—	1,347,074
As adjusted total net debt ^v	—	—	—	—	1,283,074
Ratio of Adjusted EBITDA to <i>pro forma</i> cash interest expense^{ii, iii}	—	—	—	—	3.8x
Ratio of total “as adjusted” total debt to Adjusted EBITDA ⁱⁱ	—	—	—	—	4.0x
Ratio of “as adjusted” total net debt to Adjusted EBITDA^{ii, v}	—	—	—	—	3.8x

Certain Operational Data

	Year ended December 31,		Nine months ended September 30,		Last twelve months ended September 30,
	2009	2010	2010	2011	2011
Mobile penetration ^{vi}	117.2%	120.9%	118.8%	123.8%	123.8%
Number of subscribers at period end ^{vii} (in thousands)					
Postpaid residential subscribers	827	828	812	852	852
Postpaid business subscribers	125	132	130	131	131
Prepaid residential subscribers	606	603	620	602	602
Total subscribers	1,558	1,564	1,563	1,584	1,584
ARPU ^{viii} (CHF per month)					
Voice ARPU ^{viii}	40.8	39.0	40.1	36.3	36.1
Non-voice ARPU ^{viii}	15.0	17.1	16.8	19.0	18.7
Total ARPU	55.8	56.1	56.9	55.2	54.8
Of which billed ARPU ^{viii}	44.8	45.9	46.0	47.5	47.0

- i To aid in the evaluation of our underlying operating performance, we provide below certain financial data on a restated basis to exclude the impact of changes in mobile termination rates during the periods under review by using constant mobile termination rates. We do so by calculating the weighted average mobile termination rate applicable during the later period and applying it to the earlier period. See “*Management Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Access and Interconnection Fees.*”

	For the year ended December 31,		For the nine months ended September 30,	
	2009 ^(a)	2010	2010 ^(b)	2011
	(Actual)		(Unaudited)	
	(CHF in thousands)		(CHF in thousands)	
Total revenues	1,295,741	1,295,453	975,806	923,207
Total revenues at constant MTR	1,270,282	1,295,453	916,655	923,207
Operating income at constant MTR	88,592	128,316	68,491	95,026
Depreciation, amortization and impairment	215,313	185,244	141,568	145,362
Corporate and brand fees ^(c)	33,326	31,060	24,707	22,435
Restructuring and transaction costs	1,291	6,944	8,837	1,238
Adjusted EBITDA at constant MTR	338,522	351,564	243,603	264,061

(a) Adjusted to reflect mobile termination rates in effect for the year ended December 31, 2010.

(b) Adjusted to reflect mobile termination rates in effect for the nine months ended September 30, 2011.

(c) This item relates to corporate and brand fees which have historically been paid by the Company to the FT Group under agreements that will terminate as of the Completion Date. Management believes that the costs associated with the corporate fee will not be recurring after the Completion Date. In addition, under the Brand Licensing Agreement, estimated brand fees to be paid to the FT Group for eighteen months after the Completion Date will be pre-funded as of the Completion Date. See “*Summary—Sources and Uses for the Transactions.*” This item does not include any management fee that may be payable to Apax after the Completion Date.

- ii EBITDA and Adjusted EBITDA are non-GAAP measures. We define EBITDA as net income plus net financial expenses and depreciation, amortization and impairment. We define Adjusted EBITDA as EBITDA adjusted for corporate and brand fees and restructuring and transaction costs. This information is not and should not be viewed as a substitute for financial measures under IFRS. EBITDA and Adjusted EBITDA are not measures of performance or liquidity under IFRS and should not be considered by investors in isolation from, or as a substitute for, or a measure of, profit, or as an indicator of our operating performance or cash flows from operating activities as determined in accordance with IFRS. We have presented this supplemental non-GAAP information because we believe that it is a useful indicator of our ability to incur and service our indebtedness and can assist investors to evaluate our business. EBITDA, Adjusted EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing EBITDA and Adjusted EBITDA as reported by us to similar measures reported by other companies. We encourage investors to evaluate the adjustments made to calculate Adjusted EBITDA and form their own view as to the appropriateness to exclude or include these adjustments.

EBITDA and Adjusted EBITDA as presented here differ from the definition of “Consolidated EBITDA” contained herein under “*Description of the Senior Secured Notes*” and “*Description of the Senior Notes*” and in the Indentures.

The following is a reconciliation of EBITDA and Adjusted EBITDA for each of the periods presented below:

	For the year ended December 31,		For the nine months ended September 30,		Last twelve months ended September 30,
	2009	2010	2010	2011	2011
			(Unaudited)		(Unaudited)
			(CHF in thousands)		
Net income	81,252	95,751	80,413	81,886	97,224
Income tax	2,602	16,384	7,094	13	9,303
Financial income	(3,949)	(4,016)	(2,395)	(1,380)	(3,001)
Financial expenses	23,003	20,197	15,599	14,507	19,105
Depreciation, amortization and impairment	215,313	185,244	141,568	145,362	189,038
EBITDA	318,221	313,560	242,279	240,388	311,669
Corporate and brand fees ^(a)	33,326	31,060	24,707	22,435	28,788
Restructuring and transaction costs	1,291	6,944	8,837	1,238	(655)
Adjusted EBITDA	352,838	351,564	275,823	264,061	339,802

- (a) This item relates to corporate and brand fees which have historically been paid by the Company to the FT Group under agreements that will terminate as of the Completion Date. Management believes that the costs associated with the corporate fee will not be recurring after the Completion Date. In addition, under the Brand Licensing Agreement, estimated brand fees to be paid to the FT Group for eighteen months after the Completion Date will be pre-funded as of the Completion Date. See “*Summary—Sources and Uses for the Transactions.*” This item does not include any management fee that may be payable to Apax after the Completion Date.

- iii *Pro forma* cash interest expense represents the interest expense in connection with debt incurred under the Senior Facilities and Notes (at a blended rate of 6.6%), excluding the capital lease interest expense, assuming the Transactions had occurred on October 1, 2010. Each 0.125% change in interest rates set forth above and applicable to floating rate debt would change the applicable annual *pro forma* cash interest expense by CHF 0.8 million.
- iv See “*Capitalization*.”
- v As adjusted total debt minus cash and cash equivalents. See “*Capitalization*.”
- vi *Source: TeleGeography.*
- vii Numbers of subscribers are calculated as described in “*Management Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Mobile Subscriber Base*.”
- viii ARPU data is calculated as described in “*Management Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—ARPU*.”

RISK FACTORS

In addition to the other information contained in this Prospectus, you should carefully consider the following risk factors before purchasing the Senior Secured Notes and/or the Senior Notes. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect the business, financial condition and results of operations of the Group. If any of the possible events described below were to occur, the business, financial condition and results of operations of the Group could be materially and adversely affected. If that happens, we and the Senior Secured Notes Issuer and/or the Senior Notes Issuer may not be able to pay interest or principal on the Senior Secured Notes and/or the Senior Notes when due, respectively, and you could lose all or part of your investment.

This Prospectus 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 Prospectus.

Risks Related to Our Market and Our Business

Orange's licenses and permits to provide mobile services have finite terms and are subject to an auction process in Switzerland scheduled to take place in the first quarter of 2012. The results of the auction are not expected to be made public until after the completion of the Offering.

Orange is licensed to provide mobile telecommunications services in Switzerland and Liechtenstein. In Switzerland, Orange's license to operate its GSM network expires on December 31, 2013, and its UMTS license expires on December 31, 2016. Orange's licenses to operate point-to-point radio relay systems expire on December 31, 2016. In Liechtenstein, Orange's license to operate our GSM network expires on November 8, 2017, and its UMTS license expires on December 31, 2016. In addition, there can be no assurance that the Swiss and/or Liechtenstein regulator will not withdraw Orange's existing licenses if it cannot meet the license conditions, including obtaining clearance from the Swiss Competition Authority ("CompCo"), the Federal Telecommunications Commission ("ComCom") and the Federal Office of Communications ("OFCOM") for the Acquisition.

Orange's existing GSM and UMTS licenses in Switzerland will be reallocated as part of the spectrum auction. See "*Regulation—Mobile Regulatory Environment—Spectrum Auction 2012*" for further details of the spectrum auction. In accordance with the tender rules, the current mobile telecommunications operators, including Orange, have no automatic or preferred right of renewal with respect to their current mobile licenses.

There are risks associated with an operator's participation in an auction process. Any participation in an auction process may result in an operator not being able to renew licenses on equivalent, satisfactory terms or at all. Even if an operator is successful in an auction process, the renewal of any of its licenses may become subject to substantial payments, particularly in the case of highly valuable licenses, such as those used for our GSM and UMTS networks, which may, in turn, subject the operator to significant financial strain. An auction process can also facilitate the entry of new competitors into the relevant markets.

We expect that the results of the upcoming spectrum auction will not be known until after the closing of the Offering. In addition, the rules governing the auction process severely restrict the information about the auction process that may be publicly disseminated by any party involved in the auction. Accordingly, the allocation of radio frequencies to telecommunications service providers, the identity of the bidding parties and other information relating to the spectrum auction that investors may deem to be relevant in making an investment decision with respect to the Notes may not be available to them prior to such investment decision.

The Acquisition Agreement contains a condition precedent, which may be waived by the Senior Secured Notes Issuer, or by the Seller in certain circumstances, to the completion of the Acquisition if the Group is not awarded the minimum amounts and combinations of radio frequencies specified in the Acquisition Agreement in the spectrum auction. If this condition precedent is not satisfied or waived, the Acquisition will not be completed and, as a result, the proceeds from the sale of the Notes will not be released from escrow and each of the Issuers will be required to redeem the Notes pursuant to the terms of the special mandatory redemption provided under the relevant Indenture. Accordingly, you may not obtain the investment return you expect on the Notes. While OFCOM has publicly stated that the auction will take place in the first quarter of 2012, and we therefore expect that the auction will be completed before the Completion Date, it is possible that OFCOM may decide to postpone the auction. We cannot assure you that the Senior Secured Notes Issuer (or the Seller) will not exercise their rights to waive such condition precedent and proceed with the closing of the Acquisition. See "*The Acquisition.*" If this condition is waived and we do not maintain the minimum amounts and combinations of radio frequencies that we require, our business, results of operations and financial condition would be materially and adversely affected.

Equipment and network systems failures could result in reduced user traffic and revenues, require unanticipated capital expenditures or harm our reputation.

Our technological infrastructure is vulnerable to damage and disruptions from numerous events, including fire, flood, windstorms and other natural disasters, power outages, terrorist acts, equipment and system failures, human errors and intentional wrongdoings, including breaches of our network and information technology security. Unanticipated problems at our facilities, network or system failures or the occurrence of such unanticipated problems at the facilities, network or systems of third-party local and long-distance networks on which we rely could result in reduced user traffic and revenues, regulatory penalties and/or penal sanctions or require unanticipated capital expenditures. The occurrence of network or system failure could also harm our reputation or impair our ability to retain current subscribers or attract new subscribers, which could have a material adverse effect on our business, financial condition and results of operations. In addition, our business is dependent on certain sophisticated critical systems, including exchanges, switches and other key network elements and our billing and customer service systems. The hardware supporting those systems is housed in a relatively small number of locations and if damage were to occur to any of these locations, or if those systems develop other problems, such events could have a material adverse effect on our business, financial condition and results of operations.

We are at risk from a significant disruption in our supply of equipment and services from key sourcing partners.

Our relationships with certain suppliers of services and equipment are critical to conducting our business. In the field of mobile network infrastructure, including maintenance and outsourcing, we have in particular outsourced the build-up and maintenance of the domestic mobile network to Alcatel-Lucent Switzerland Ltd. in line with a Master Service Agreement dated September 19, 2007 (“Master Service Agreement”), which will expire on January 1, 2013, and we have entered into further key agreements, among others with Nokia Siemens Networks. We also depend on other key supply partners such as for example Swisscom, Sunrise and upc cablecom for interconnection, VTX Services SA for the provision of ADSL and fixed-line services, Teleperformance Schweiz regarding the provision of call center services, and Hewlett-Packard for IT outsourcing services. In addition, we have relationships with a number of key sourcing partners including, for mobile network equipment and software, handsets and other retail equipment, among others with Apple, Nokia and Samsung. We have also entered into agreements with regard to the supply of equipment and services with members of the FT Group or FT-related procurement entities. We do not have direct operational or financial control over our service providers, suppliers and sourcing partners and have limited influence with respect to the manner in which they conduct their businesses.

Any failure of a supplier, service provider or sourcing partner to perform its obligations under the contracts to the satisfaction of our customers could impact our ability to retain and attract customers or offer attractive product offerings. Our ability to maintain and grow our subscriber base depends in part on our ability to source adequate supplies of network equipment, mobile handsets and software in a timely manner and in sufficient quantities from these suppliers. Our reliance on these suppliers and sourcing partners may expose us to risks related to interruptions, delays in the delivery of their products and services or significant costs. Suppliers are at times subject to supply constraints, particularly when there is high demand for a particular product, such as the iPhone/iPad, or during the winter holiday season. We have, from time to time, experienced extensions of lead times or limited supplies due to capacity constraints and other supply-related factors, as well as quality control problems with service providers. We may also not be able to recover monies paid to such suppliers or obtain contractual damages to which we may be entitled (if any) in the event our suppliers fail to comply with their obligations in a timely manner.

Certain of our agreements with suppliers and sourcing partners can be terminated upon a reasonably short notice, are subject to termination for good cause (e.g., if continuation of the agreement is, in good faith, unacceptable to the terminating party for any reason) under Swiss legal principles governing indefinite and long-term contracts, have continued to be performed on an informal basis beyond their expiry date or may be terminated as a result of the Acquisition. Therefore, we cannot provide any assurance that our suppliers or sourcing partners will continue to provide products, services or equipment to us at attractive prices or that we will be able to obtain such products, services and equipment in the future from these or other providers on the scale and within the time frames we require, if at all. See “—Risks Related to Our Separation from France Telecom—We may not continue to benefit from contracts that historically have formed part of our business.”

If we experience a significant disruption in our supply of equipment and services from key sourcing partners and/or a significant change in the terms on which we do business with them, our business, results of operations and financial condition may be materially and adversely affected.

The Swiss mobile telecommunications market is characterized by competition among existing and potential new mobile network operators.

We face strong competition from established and potential new competitors. Our principal competitors in Switzerland are Swisscom and Sunrise. Swisscom, the incumbent telecommunications provider, has significantly larger market share and investment capacity than us and benefits from considerable financing, marketing and personnel resources, brand-name recognition, perceived network quality and customer service, as well as majority Swiss government ownership and long-established relationships with regulatory authorities. Sunrise, our other key competitor in Switzerland, has managed to significantly increase its market share over the past years.

Swisscom and Sunrise have at times pursued aggressive marketing and pricing strategies to retain and expand their market share both with regard to mobile subscribers and contracts with MVNOs and resellers, which, if pursued in the future, could reduce our margins, dilute our earnings and cause our customers to switch to Swisscom or Sunrise, respectively. Our subscriber acquisition and retention costs may increase as a result of significant competition in the mobile telecommunications markets we operate in for new subscribers and/or churning subscribers, which could put further pressure on our earnings.

Our main competitors offer integrated products over their fixed line and/or cable networks, including fixed-mobile services bundles comprising mobile, fixed voice and broadband internet products, as well as “quadruple-play” offerings that combine these three products with television services. Bundled services are expected to become increasingly important and customers that have such services are less likely to switch to a different operator for all or part of the bundled services. We do not currently provide bundled services. We are, therefore, currently unable to compete in the market for bundled services, which may adversely affect our ability both to retain existing customers and to attract new customers, including those who currently subscribe for bundled services from other operators and may be disincentivized to switch operators as a result.

Further, a new MNO could successfully enter the mobile telecommunications market in Switzerland, in particular in light of the spectrum auction. See “*Regulation—Mobile Regulatory Environment—Spectrum Auction 2012*” for further details of the spectrum auction. The entry of a new MNO in the Swiss mobile telecommunications market could materially impact our market share and have corresponding effects on our revenues and results of operations.

If we are not able to successfully compete with other network operators, our business, results and operations and financial condition may be materially and adversely affected.

We also face high levels of competition from MVNOs and resellers.

MVNOs and resellers have been growing their share of the Swiss mobile telecommunications market in the past five years, following an international trend towards increasing diversification in the telecommunications markets. This has increased competition and pricing pressure in our markets, principally in the prepaid market but also increasingly in the postpaid market.

Like all Swiss mobile network operators, we have arrangements with MVNOs and resellers. To mobile network operators, such arrangements generally provide less revenues and lower margins than other services. As a result, the expected increase in market share of MVNO and resellers may reduce our margins and revenues if we fail to increase our own market share.

Aggressive pricing from MVNOs or resellers on our network or on other networks, pressure from resellers and MVNOs on our network for contract terms that are more favorable to them, resellers converting into MVNOs and resellers or MVNOs converting into MNOs through the purchase of spectrum, for example at a spectrum auction, could also increase the competitive pressure and cause our results of operations to decline. See “*—The Swiss mobile telecommunications market is characterized by competition among existing and potential new mobile network operators.*”

If we are unable to compete effectively with MVNOs and resellers, our business, results of operations and financial condition may be materially and adversely affected.

We face increasing competition from alternative telecommunication services, such as OTT.

We are facing increasing competition from non-traditional mobile voice and data services based on new mobile voice over the Internet technologies, in particular over-the-top (“OTT”) applications, such as Skype, Google Talk and Facebook. These OTT applications are often free of charge, accessible via smartphones and allow their users to have access to potentially unlimited messaging and voice services over the internet, thus bypassing more expensive traditional voice and messaging services (SMS/MMS) provided by mobile network

operators like us, who are only able to charge the Internet data usage for such services. With the growing share of smartphones in mobile subscriber base in Switzerland, there is an increasing number of customers using OTT services. All MNOs are currently competing with OTT service providers who leverage on existing infrastructures and are often not required to implement capital-intensive business models associated with traditional mobile network operators like us. OTT service providers have over the past years become more sophisticated players and technological developments have led to a significant improvement in the quality of service, in particular speech quality. In addition, players with strong brand capability and financial strengths, such as Apple, Google and Microsoft, have turned their attention to the provision of OTT services. In the long term, if non-traditional mobile voice and data services or similar services continue to increase in popularity and if we, or more generally all the MNOs, are not able to address this competition, this could cause declines in ARPU, subscriber base and profitability across all of our products and services, among other material adverse effects.

The success of our mobile operations depends on our ability to attract and retain mobile subscribers.

Our ability to attract and retain mobile subscribers or to increase our profitability from existing subscribers will depend in large part on our ability to stimulate and increase subscriber usage, convince subscribers to switch from competing mobile operators to our services and our ability to minimize subscriber deactivation rates, referred to in the industry as customer “churn.” Churn is a measure of subscribers who stop purchasing or using our services, leading to reduced revenues. Churn is significantly higher among prepaid customers than postpaid customers. Any increase in customer churn may lead to a need to reduce our costs rapidly to preserve our margins or, alternatively, take measures that will increase our subscriber acquisition and retention costs. There can be no assurances that the various measures we have taken and plan to take to manage churn and increase customer loyalty will reduce our churn rate. In addition, the mobile telecommunications industry is characterized by frequent developments in product offerings, as well as by advances in network and handset technology. If we fail to maintain and upgrade our network and provide our subscribers with an attractive portfolio of products and services, we may not be able to retain subscribers. Likewise, if we fail to effectively communicate the benefits of our network through our marketing and advertising efforts, we may not be able to attract new customers. Our future efforts to attract and retain customers may prove unsuccessful. Additionally, our competitors may improve their ability to attract new subscribers, for example by offering bundled products and triple/quadruple-play offerings that we currently cannot offer, or offer their products or services at lower prices, which would make it more difficult for us to retain our current subscribers, and the cost of retaining and acquiring new subscribers could increase, which could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to identify, complete and successfully integrate acquisitions, our ability to grow our business may be limited and our business, financial condition and results of operations may be adversely impacted.

We may make strategic acquisitions that involve significant risks and uncertainties. These risks and uncertainties include:

- we may not be able to find suitable businesses to acquire at affordable valuations or on other acceptable terms;
- competition for acquisition targets, which may lead to substantial increases in purchase prices;
- our continued dependence on access to capital;
- our proposed acquisitions may be prohibited by certain antitrust or other regulatory laws;
- the diversion of management’s attention from existing operations to the integration of acquired companies;
- our inability to realize expected cost savings and synergies;
- expenses, delays and difficulties of integrating acquired businesses into our existing business structure; and
- difficulty in retaining key customers and management personnel.

We may not be able to identify, complete and successfully integrate acquisitions in the future, and our failure to do so may limit our ability to grow our business. If we are unable to continue to acquire and efficiently integrate suitable acquisition candidates, our ability to increase our revenues may be adversely impacted.

The telecommunications industry has been, and will continue to be, significantly affected by rapid technological change and we may not be able to effectively anticipate or react to these changes.

The telecommunications industry is characterized by rapidly changing technology and related changes in customer demand for new products and services at competitive prices. Recently, the market has witnessed the emergence of, or increased demand for, new technologies. Technological change and the emergence of alternative technologies for the provision of telecommunications services that are technologically superior, cheaper or otherwise more attractive than those that we provide may render our services less profitable, less viable or obsolete.

Technological developments may also shorten product life cycles and facilitate convergence of various segments in the telecommunications industry. Our competitors or potential new market entrants may introduce new or technologically superior telecommunications services before we do. In particular, Swisscom, due to its strong position and both financial and investment capacity, has the ability to create new market standards by quickly introducing new advanced technologies, such as HSPA+ and 3GPP Long Term Evolution (“LTE”) mobile networks. We may be required to deploy new technologies rapidly if, for example, subscribers begin demanding features of a new technology, such as increased bandwidth or LTE, or if one of our competitors decides to emphasize a newer technology in its marketing. At the time we select and advance one technology over another, or decide on whether to emphasize on a specific technology, it may not be possible to accurately predict which technology may prove to be the most economical, efficient or capable of attracting subscribers or stimulating usage, or how rapidly any competitor focuses on a particular new technology, and we may develop or implement a technology that does not achieve widespread commercial success or that is not compatible with other newly developed technologies.

In addition, we may not receive the necessary licenses to provide services based on these new technologies in the markets we operate in or may be negatively impacted by unfavorable regulation regarding the usage of these technologies. If we are unable to effectively anticipate, react to or access technological changes in the telecommunications market or to otherwise compete effectively, we could lose subscribers, fail to attract new subscribers or incur substantial costs and investments in order to maintain our subscriber base, all of which could have a material adverse effect on our business, financial condition and results of operations.

Our business is capital intensive. We cannot assure you that we will have sufficient liquidity to fund our capital expenditure programs or our ongoing operations in the future.

Our business is capital intensive and requires significant amounts of investments. We have an extensive capital expenditure program ongoing that will continue to require significant capital outlays in the foreseeable future, including the continued renewal/swap of equipment at all of our access network sites, expansion of our network coverage and our IT transformation. We may also need to invest in new spectrums, networks and technologies in the future including regarding LTE. See “*Regulation—Mobile Regulatory Environment—Spectrum Auction 2012*” for further details of the spectrum auction. If network usage develops faster than we anticipate, we may require greater capital investments in shorter time frames than we anticipate and we may not have the resources to make such investments. In addition, costs associated with the licenses and spectrums that we need to operate our existing networks and technologies and those that we may acquire and/or develop in the future, as well as costs and rental expenses related to their deployment, could be significant. The amount and timing of our future capital requirements may differ materially from our current estimates due to various factors, many of which are beyond our control. We may also be required to raise additional debt or equity financing in amounts that could be substantial. The type, timing and terms of any future financing will depend on our cash needs and the prevailing conditions in the financial markets. We may not be able to accomplish any of these measures on a timely basis or on commercially reasonable terms, if at all. We may not generate sufficient cash flows in the future to meet our capital expenditure needs, sustain our operations or meet our other capital requirements, which may have a material adverse effect on our business, financial condition and results of operations.

Our business may be adversely affected by actual or perceived health risks and other environmental requirements relating to mobile telecommunications transmission equipment and devices, including the location of antennas.

Various reports have alleged that there may be health risks associated with the effects of electromagnetic signals from antenna sites, mobile handsets and other mobile and wireless telecommunications devices. We cannot assure you that further medical research and studies will not establish a link between electromagnetic signals or radio frequency emissions and these health concerns. The actual or perceived risk of mobile and

wireless telecommunications devices, press reports about risks or consumer litigation relating to such risks could adversely affect the size or growth rate of our subscriber base and result in decreased mobile usage or increased litigation costs. We are currently party to a number of pending proceedings in which plaintiffs are seeking prohibition of antenna construction and/or compensation for damages caused by planned antenna construction based *inter alia* on alleged exposure to electromagnetic radiation from our technology. In addition, these health concerns may cause the Swiss authorities to impose stricter regulations on the construction of base stations or other telecommunications network infrastructure. In particular, public concern over actual or perceived health effects related to electromagnetic radiation may result in increased costs related to our networks, which may hinder the completion or increase the cost of network deployment, reduce the coverage of our network and hinder the commercial availability of new services. If actual or perceived health risks were to result in decreased mobile usage, increased consumer litigation or stricter regulation, our business, financial condition and results of operations could be materially and adversely affected.

We are also subject to a variety of laws and regulations relating to land use and the protection of the environment, including those governing the storage, management and disposal of hazardous materials and the clean-up of contaminated sites. We could incur substantial costs, including clean-up costs, fines, sanctions and third-party claims for property damage or personal injury, as a result of violations of, or liabilities under, such laws and regulations. In addition, we are involved in numerous pending administrative proceedings regarding antenna sites and several respective private legal proceedings. A negative outcome of these proceedings could have a negative impact on our ability to maintain existing or set up new antennas and thus a negative impact on the coverage of our network. Furthermore, a finding in the courts that we are liable for any loss or damage could have a negative impact on our future operations and could materially and adversely affect our business, results of operations and financial condition.

Our business may be adversely affected by our ability to maintain and increase our network coverage.

The coverage of our network depends on our ability to maintain existing and to build up new antennas for our network. Our antennas are generally built on land owned by third parties, the use of which is secured by way of lease agreements. If we are not able to renew our current lease agreements for antenna sites and/or to enter into new lease agreements for suitable alternate antenna sites, this could have a negative impact on the coverage of our network.

Furthermore, certain regulatory approvals, such as new build permits, may be required to operate antenna sites with other frequencies /frequency bands, in particular where the shift is made from a higher frequency band (e.g., 1800 MHz) to a lower frequency band (e.g., 900 MHz). To the extent that we seek to operate antenna sites with other frequencies/frequency bands in the future, failure to obtain such regulatory approvals could have a negative impact on the coverage of our network. Any such negative impact on the coverage of our network could materially and adversely affect our business, results of operations and financial condition.

We are subject to extensive regulation and have recently been, and may in the future be, adversely affected by regulatory measures applicable to us.

Our activities as a mobile network operator in Switzerland are subject to regulation and supervision by various Swiss national authorities, in particular ComCom and OFCOM. In addition to ComCom and OFCOM, CompCo and the regulatory agency which supervises prices of mobile services are involved in regulatory issues relating to the telecommunications sector. While Switzerland is not a member of the European Union and is therefore not subject to the EU telecommunications regulation, liberalization of the Swiss telecommunications market has moved in parallel with the deregulation in the EU.

In Switzerland, only a limited number of telecommunications operators invest in infrastructure, which may lead the respective regulator to declare that those operators, including us, have a collectively dominant position in certain infrastructure or downstream service provision markets. Regulators in Switzerland could, for example, conclude that we have acted in collusion due to our agreement on mobile termination rates with the other two significant players in the market, Swisscom and Sunrise. Regulators have already declared that an operator with its own infrastructure, such as us, can be deemed solely market dominant in a narrowly-defined field, such as origination or termination of calls on its own network. Should we be deemed (solely or collectively) to be market dominant under Swiss law, we may face *de facto* price regulation and, in addition, the risk of being fined up to 10% of our revenues for the preceding three years in case of proven excessive or predatory pricing. Other regulatory restrictions on the conduct of our business, such as the prohibition to bundle certain services, may be relevant in such case as well. Further, our mobile telecommunications services rely on licenses to use certain

radio frequencies. These licenses are limited in time and subject to renewal. Also, if we are successful in obtaining renewals, we may not reliably predict the financial and other conditions at which such renewals will be granted.

In September 2011, the National Council (*Nationalrat*) voted in favor of a motion brought by a member of Swiss Parliament to define maximum limits on international roaming prices. A committee of the Council of States (*Ständerat*) (the second chamber of the Federal Parliament) postponed discussion on the regulation of international roaming until spring 2012 to wait for a report of the Federal Council (*Bundesrat*) on the issue. As a result, we cannot exclude the possibility that in the future the legislator will enact rules limiting international roaming prices.

Changes in laws, regulations or governmental policy or the interpretation or application of those laws or regulations affecting our activities and those of our competitors could greatly influence our viability and how we operate our business and introduce new products and services. Further liberalization of the access regime, for example, may subject our mobile infrastructure to certain duties to grant access at regulated conditions and impact our margins. More generally, our ability to compete effectively in our markets could be adversely affected if regulators decided to further expand the restrictions and obligations to which we are subject, or extend such restrictions and obligations to new services and markets, or otherwise adopt regulations. Any such changes in law, decisions by regulators or decisions regarding the granting, amendment or renewal of licenses, to us or to third parties, could materially and adversely affect our business, financial condition and results of operations.

We are exposed to decreases in mobile termination rates and other rates such as roaming tariffs.

In Switzerland, the fees for access and interconnection that mobile operators charge for calls terminating on their respective networks are determined through a bilateral agreement setting out mobile termination rates between operators, rather than *ex ante* by a regulatory authority, as is the case in the European Union. To the extent operators cannot mutually agree to MTRs applicable to each of them, the Swiss regulatory authorities are entitled to intervene *ex-post* to determine the rates applicable to each operator. While Switzerland is not a member of the European Union and not subject to EU telecommunications regulation, MTRs in Switzerland, in particular for mobile voice, have followed, and are expected to continue to follow, the decline in MTRs experienced in EU-member States. The MTRs for 2011 for mobile voice agreed between us, Swisscom and Sunrise, for example, are approximately 45% lower than the MTRs applicable in 2010. The termination rates for 2011 are valid until June 30, 2012. We expect that mobile termination rates will continue to decline thereafter, albeit at a lower rate. If we cannot reach an agreement with Swisscom and Sunrise by March 31, 2012 on the MTRs to be applied from July 1, 2012 onward then we, Swisscom and Sunrise would each have the right to request that ComCom determine the MTRs. If the Swiss regulatory authorities were to determine the MTRs, they could choose to do so in a way that would likely lead to lower MTRs. Because MTRs are a key driver of our access and interconnection revenues (for calls that terminate on our mobile network) and of our access and interconnection expenses (for calls that terminate on the network of other mobile network operators), any decrease in MTRs has a direct impact on our revenues and on our profitability. As we do not have a landline business, we are comparatively more affected by reductions in mobile termination rates than our main competitors Swisscom and Sunrise, who operate a fixed line business as well. A further reduction in MTRs could reduce our revenues and operating income in the future, which could have a material adverse effect on our business, financial condition and results of operations.

We generate almost all of our revenues and operating income from our activities in Switzerland.

We generate almost all of our revenues and operating income from our activities in Switzerland. Demand for our products and services in Switzerland is influenced by a number of factors, including the strength of the Swiss economy. Negative developments in, or the general weakness of, the Swiss economy may have a direct negative impact on the spending patterns of our customers and the willingness of business customers to make investments, which could adversely affect our revenues and profitability. In addition, a weakening economy may lead to a higher number of defaults by customers and business partners. Therefore, if unemployment rates increase, or there is a renewed fall in outputs, or if the economy, in particular in Switzerland, does not recover as expected or weakens, our growth targets may be jeopardized and our business, financial condition and results of operations may be materially and adversely affected. Similarly, economic effects outside of Switzerland may also impact our business, particularly our revenues from international interconnection fees and visitor roaming fees.

If we fail to maintain or further develop our direct and indirect distribution and customer care channels, our ability to sustain and further grow our subscriber base could be materially and adversely affected.

We depend on third parties and our internal channels to market, sell and provide a significant portion of our products and services. We distribute our products and services both directly through a network of currently around 80 of our own shops, the Internet and further direct marketing channels, as well as indirectly through partners' point-of-sales and a network of non-exclusive distributors, including mobilezone, Swiss Post, Interdiscount, Fust and Saturn/Mediamarkt.

We intend to continue to develop our direct distribution channel, for example by opening additional points of sale, which will require significant capital expenditures. The costs associated with opening additional shops may be significant and we may not be able to recoup such costs or increase our revenues by expanding our distribution presence. In particular, if we are not able to renew or replace our current shop leases or enter into new leases for shops on favorable terms, or any of our current leases are terminated prior to their stated expiry date and we cannot find suitable alternate locations, our growth and profitability could be harmed.

Additionally, if we fail to maintain our key distribution relationships, or if our distribution partners fail to procure sufficient subscribers for any reason, or if we fail to expand our direct and indirect distribution presence, our ability to retain or further grow our market share in the markets we operate could be adversely affected. In addition, the subscriber acquisition and retention costs associated with maintaining or further growing our subscriber base through both direct channels and indirect channels could materially increase in the future. These factors in turn could have a material adverse effect on our business, financial condition and results of operations. Further, certain distributors may have the right to terminate their arrangements with us as a result of the Acquisition. If any of our distribution relationships are terminated we may face claims from the respective counterparty for compensation for clientele pursuant to Swiss law. If such claims were successful and the respective distributors were awarded a compensation for clientele, this may have a material adverse effect on our business, results of operations and financial condition.

We depend on our wholesale reseller and MVNO partners to access a broader and more diverse base of subscribers and grow our subscriber base.

We compete with MVNOs and resellers, but we also depend on them to expand our reach to new customer segments, in particular in more mass-market segments. Our MVNO and reseller partners, however, may terminate their relationships with us or discontinue their services on relatively short notice, including, in the case of MVNOs, to start offering their services through the network of one of our competitors, and we may, in future, be unable to renew our existing arrangements with them on commercially favorable terms. For example, Lycamobile, the largest MVNO on our network, has sent a notice of termination which will result in termination of our contract with them in February 2012, although the parties are currently negotiating a potential extension of the contract for transitional purposes. In addition, upc cablecom has the right to terminate its MVNO agreement with us before the public commercial launch.

Upon rebranding in the future, we may need to renegotiate our agreements with wholesale resellers of co-branded products. Our inability to maintain or renew our existing partnerships with MVNOs and resellers or attract new MVNOs and resellers could damage our reputation, prevent us from further growing and diversifying our subscriber base, result in a significant loss of customers and have a material adverse effect on our business, financial condition and results of operations.

We depend on third-party telecommunications providers over which we have no direct control for the provision of certain of our services.

Our ability to provide high-quality telecommunications services depends on our ability to interconnect with the telecommunications networks and services of other telecommunications operators, particularly those of our main competitors Swisscom and Sunrise, as well as the networks of upc cablecom and VTX Services AG. As such, the prices which they charge alternative operators, including us, for wholesale services they provide have a direct impact on our profitability. Further, the potential failure of any of the third-party telecommunications providers we (directly or indirectly) rely on for our access to infrastructure to comply with the current agreements relevant for our access or technical defaults, may create interruptions or quality problems with our telecommunications services. In addition, we face the risk that any relevant agreements with third-party telecommunications provider are not extended or are extended at less favorable conditions.

We also rely on third-party operators for the provision of international roaming services for our mobile subscribers. While we have interconnection and roaming agreements in place with other operators, we do not have direct control over the quality of their networks and the interconnection and roaming services they provide.

Additionally, our counterparties may decide to charge additional fees for our use of their networks, such as termination fees for SMS services. Even if we attempt to offset such fees by implementing similar fees ourselves, we may not be able to offset the added costs. In certain cases, these agreements can be terminated by our counterparties upon a reasonably short notice. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnections or roaming services to us on a consistent basis, could result in a loss of subscribers or a decrease in traffic, which would reduce our revenues and adversely affect our business, financial condition and results of operations.

We anticipate that the Acquisition will affect our roaming agreements in a significant manner. Please see “—*Risks Related to Our Separation from France Telecom—We may not continue to benefit from contracts that historically have formed part of our business.*”

We may not be able to attract and retain key personnel.

Our success and our growth strategy depend in large part on our ability to attract and retain key management, marketing, finance and operating personnel. There can be no assurance that we will continue to attract or retain the qualified personnel needed for our business. Competition for qualified senior managers in our industry is intense and there is limited availability of persons with the requisite knowledge of the telecommunications industry and relevant experience in Switzerland. Furthermore, integration of new management would require additional time and resources, which could adversely affect our ability to successfully implement our strategy. Our failure to recruit and retain key personnel or qualified employees could have a material adverse effect on our business, financial condition and results of operations.

Several of Orange’s executive officers named under the heading “*Management—The Company—Executive Officers*” have retained the benefit of their employment agreements with the FT Group, which originally hired them and seconded them to Orange. Pursuant to their employment agreements with the FT Group, these executive officers will have the right during a limited period of time following the Completion Date to elect to return to the FT Group instead of continuing in their present functions with us. If we lose the services of any of our principal executive officers, our ability to execute our strategy and our business, results of operations and financial conditions could be adversely and materially affected.

Our pension liability may reduce our cash flows, profitability, financial condition, net assets, distributable reserves and our ability to pay dividends.

We operate a “defined contribution plan with minimum interest guarantee” pension scheme that, due to certain guarantees that the plan is required to provide under Swiss legislation, is treated as a defined benefit agreement for the purposes of IFRS. As of September 30, 2011, we had a pension liability of CHF 42.5 million (under IFRS). The pension liability could further increase depending, among other things, on changes in the valuation of publicly-traded equities, exchange rates and interest rates.

As of the date hereof, a proceeding is pending before the supervisory authority which regulates our pension fund regarding the transfer of employees from Orange to the pension fund of EDS (*Pensionskasse der schweizerischen EDS-Gruppe*) whereby the pension fund of EDS asserts a claim to a part of our pension fund’s reserves (partial liquidation). In case the supervisory authority finds that a partial liquidation occurred, part of the reserves of the pension fund may have to be transferred to the pension fund of EDS, which would have an additional negative effect on the funding level of our pension fund.

Should the Swiss actuarial valuation at any time disclose a significant underfunding of our pension fund, we could be obliged to make additional contributions into the pension plan in addition to the normal contributions defined in the pension plan regulations. Such contributions may adversely affect our ability to distribute dividends or service our debt and generally have a material adverse effect on our business, financial condition and results of operations.

We face legal and regulatory dispute risks.

On November 17, 2011 the Swiss Federal Arbitration Commission for the rights on copyrights and neighbouring rights (*Eidgenössische Schiedskommission für die Verwertung von Urheberrechten und verwandten Schutzrechten*) decided on a tariff (GT4e) to provide compensation for the copying of protected intellectual property onto mobile handsets by private individuals. Pursuant to this decision, manufacturers and importers of certain handsets that allow the storage and playing of music (*Musikhandys*) must pay compensation in the amount of CHF 0.25 per each gigabyte of memory. That tariff will apply retrospectively from July 1, 2010 until December 31, 2011. Should this decision become binding, we would be obliged to pay approximately CHF

1.5 million for the period of July 1, 2010 to December 31, 2011. In addition, a similar tariff has been set also for 2012 and 2013 by the Swiss Federal Arbitration Commission for the rights on copyrights and neighboring rights in a decision dated December 5, 2011.

There are approximately 90 pending network cases (related to specific antenna sites), which can be split into three categories (i) appeals against the relevant building applications for antenna sites (approximately 80% of the total cases), where in case of a negative outcome, we would not be allowed to build or upgrade such site(s), (ii) appeals against the termination of site lease contracts (approximately 8% of the total cases), where in case of a negative outcome, we would be obliged to dismantle such site, losing the related revenues and face the investment for the acquisition of a replacement site; there are two such cases relating antenna sites not yet built, and (iii) appeals against newly established planning zones (approximately 12% of the total cases). Appeals against the relevant building applications are usually based on aesthetics and health-related concerns, claims for spatial planning coordination and claimed diminution of value.

Further, on October 24, 2011, Samagst SA filed a civil claim against the Company for lost revenues in the amount of CHF 2.2 million, based on the fact that the Company had suspended a number of SIM cards used for unauthorized purposes by Samagst SA.

In addition, we are subject to numerous risks relating to legal and civil, tax, regulatory and competition proceedings to which we are a party or in which we are otherwise involved or which could develop in the future, and certain of these proceedings (or proceedings in which we may become involved), if adversely resolved, could have a material adverse effect on our business, results of operations and financial condition. Furthermore, our involvement in legal, regulatory and competition proceedings may harm our reputation. We cannot assure you what the ultimate outcome of any particular legal proceeding will be.

We collect and process subscriber data as part of our daily business and the leakage of such data may violate laws and regulations which could result in fines, loss of reputation and subscriber churn and adversely affect our business.

We collect, store and use data in the ordinary course of our operations that is protected by data protection laws. Although we take precautions to protect subscriber data in accordance with the privacy requirements provided for under applicable laws, we may fail to do so and certain subscriber data may be leaked as a result of human error or technological failure or otherwise be used inappropriately. We work with independent and third-party sales agents, service providers and call center agents, and we cannot exclude that such third parties could also experience system failures involving the storing or the transmission of proprietary information. Violation of data protection laws may result in fines, loss of reputation and subscriber churn and could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our Financial Profile

Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Notes Guarantees.

After the issuance of the Notes, we will be highly leveraged. As of September 30, 2011, after giving effect to the Transactions, we would have total debt of CHF 1.3 billion, including CHF 443 million drawn under the Senior Facilities Agreement. See “*Capitalization.*”

The degree to which we will be leveraged following the issuance of the Notes could have important consequences to holders of the Notes in this Offering, including, but not limited to:

- making it difficult for us to satisfy our obligations with respect to the Notes;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures, product research and development, subscriber acquisition costs or other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment and the industry in which we operate;
- placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

The terms of each of the Senior Secured Notes Indenture and the Senior Notes Indenture will permit Group members to incur substantial additional indebtedness, including in respect of committed borrowings of up to CHF 100 million in total under the Revolving Credit Facility.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.

Each of the Senior Secured Notes Indenture and the Senior Notes Indenture will restrict, among other things, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Senior Notes Issuer or its restricted subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to the Senior Secured Notes Issuer or the Senior Notes Issuer, as the case may be;
- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities; and
- impair the security interest for the benefit of the holders of the relevant Notes.

All of these limitations will be subject to significant exceptions and qualifications. See “*Description of the Senior Secured Notes—Certain Covenants*” and “*Description of the Senior Notes—Certain Covenants*.” The covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

In addition, we will be subject to the affirmative and negative covenants contained in the Senior Facilities Agreement. In particular, the Senior Facilities Agreement requires us to maintain specified financial ratios and satisfy certain financial condition tests which become more restrictive over the life of such indebtedness. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we cannot assure you that we will meet them. A breach of any of those covenants, ratios, tests or restrictions could result in an event of default under our Senior Facilities Agreement. Upon the occurrence of any event of default under our Senior Facilities, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facilities and elect to declare all amounts outstanding under the Senior Facilities, together with accrued interest, immediately due and payable. In addition, any default under the Senior Facilities could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Indentures for the Senior Secured Notes and the Senior Notes, respectively. If our creditors, including the creditors under our Senior Facilities Agreement, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable us to repay the Senior Secured Notes or the Senior Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could proceed against any collateral granted to them to secure repayment of those amounts.

We will require a significant amount of cash to meet our obligations under our indebtedness and to sustain our operations, which we may not be able to generate or raise.

Our ability to make principal or interest payments when due on our indebtedness, including the Senior Facilities and our obligations under the Senior Secured Notes and the Senior Notes, and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as

other factors discussed in these “*Risk Factors*,” many of which are beyond our control. Our Senior Facilities Agreement provides for term loan facilities under which approximately CHF 225 million (Term Loan A) will mature six years after the Completion Date, CHF 275 million (Term Loan B1) will mature seven years after the Completion Date and CHF 125 million (Term Loan B2) will mature seven years after the Completion Date. The Senior Secured Notes will mature in 2019 and the Senior Notes will mature in 2020. See “*Description of Certain Financing Arrangements*,” “*Description of the Senior Secured Notes*” and “*Description of the Senior Notes*.” At the maturity of these loans, the Senior Secured Notes, the Senior Notes or any other debt which we may incur, if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs or we are otherwise restricted from doing so due to corporate, tax or contractual limitations, we may be required to refinance our indebtedness. If we are unable to refinance all or a portion of our indebtedness or obtain such refinancing on terms acceptable to us, we may be forced to reduce or delay our business activities or capital expenditures, sell assets, or raise additional debt or equity financing in amounts that could be substantial. The type, timing and terms of any future financing will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we will be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, the terms of our Senior Facilities Agreement, the Senior Secured Notes Indenture, the Senior Notes Indenture and any future debt may limit our ability to pursue any of these measures.

Despite our current level of indebtedness, we may still be able to incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. Any debt that we incur at our subsidiary level would be structurally senior to the Notes, and other debt could be secured or could mature prior to the Notes. In addition, such debt could be incurred on a basis senior to the guarantees of the Senior Notes. Although the Senior Facilities Agreement and the Indentures will contain restrictions on the incurrence of 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 Credit Facilities and the Indentures will not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

Certain debt that we incur in the future may be entitled to be repaid with the proceeds of the collateral securing the Senior Secured Notes in priority to the Senior Secured Notes.

The Indentures and the Intercreditor Agreement will permit, in connection with a complete refinancing of the Senior Facilities, “super priority” debt to be incurred under a credit facility and hedging obligations. Any such super priority credit facility or hedging obligations would be secured by the same property and assets that secure the Senior Secured Notes. However, the liabilities under such super priority credit facility or hedging obligations would have priority over amounts received from the sale of the collateral securing the Senior Secured Notes pursuant to an enforcement sale of such collateral. As such, in the event of enforcement of such collateral, you may not be able to recover on the collateral if the then-outstanding liabilities under such super priority credit facility and hedging obligations are greater than the proceeds realized in such enforcement sale.

The loans under our Senior Facilities Agreement and the Floating Rate Senior Secured Notes bear interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow.

The loans under our Senior Facilities Agreement bear interest at floating rates of interest per annum equal to LIBOR and/or Euribor, as adjusted periodically, plus a spread. We would also be exposed to floating interest rates associated with the Floating Rate Senior Secured Notes. These interest rates could rise significantly in the future. Although we intend to maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will continue to be available on commercially reasonable terms. To the extent that interest rates were to increase significantly, our interest expense would correspondingly increase, reducing our cash flow.

Exchange rate fluctuations could adversely affect our financial results.

Some of our debt service requirements are denominated in euro even though substantially all of our cash flow from operations is generated in Swiss francs. Significant changes in the value of the Swiss franc relative to the euro could have a material adverse effect on our financial condition and our ability to meet interest and principal payments on euro-denominated debt, including the Notes and borrowings under the Senior Facilities Agreement.

Our interest and cross-currency swap agreements may expose us to credit default risks and potential losses if our counterparties fall into bankruptcy.

We may enter into interest and currency hedging agreements to hedge our exposure to fluctuations in interest rates and foreign currency exchange rates, primarily under the Senior Facilities and the Notes. Under these agreements, we are exposed to credit risks of our counterparties. If one or more of our counterparties falls into bankruptcy, claims we have under the swap agreements may become worthless. In addition, in the event that we refinance our debt or otherwise terminate hedging agreements, we may be required to make termination payments, which would result in a loss.

Risks Related to the Notes

Holders of the Senior Secured Notes will not control certain decisions regarding the collateral.

On the Completion Date and following the grant of additional security after the Completion Date, the Senior Secured Notes will be secured by the same collateral securing the obligations under our Senior Facilities. In addition, under the terms of the Senior Secured Notes Indenture, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same collateral.

As a result of the voting provisions set forth in the Intercreditor Agreement, the lenders under the Senior Facilities and counterparties to certain hedging arrangements will initially have effective control of all decisions with respect to the collateral. The Intercreditor Agreement provides that a common security agent will serve as the Security Agent for the secured parties under the Senior Facilities, the Senior Secured Notes, the Senior Notes and hedging arrangements with respect to the shared collateral. Subject to certain limited exceptions, the Security Agent will act with respect to such collateral only at the direction of an “Instructing Group,” which means those Senior Secured Creditors whose senior secured credit participations at that time aggregate to more than 66⅔% of the total senior secured credit participations. The senior secured credit participations include drawn and undrawn uncanceled commitments under the Senior Facilities and amounts payable in respect of certain hedging obligations that have been terminated or closed out or that would be payable if such hedging obligations had been terminated or closed out and the principal amount of the Senior Secured Notes (with each holder exercising its own vote). Upon the issuance of the Senior Secured Notes, the holders of the Senior Secured Notes are expected to hold approximately 58.8% of the total senior secured credit participations, and thus will not be able to independently constitute an “Instructing Group.” Moreover, under the Intercreditor Agreement, at any time when the senior secured credit participations of the holders of the Senior Secured Notes represent more than 50% but less than 66⅔% of the total senior secured credit participations, the senior secured credit participations will be calculated treating votes cast by Senior Secured Noteholders as being deemed to be reduced to constitute only 50% of the total senior secured credit participations, and the senior secured credit participations of the lenders under the Senior Facilities and hedging counterparties under certain hedging obligations shall be deemed to be increased to constitute 50% of the total senior secured credit participations.

The holders of the Senior Secured Notes will not have separate rights to enforce the collateral. In addition, the holders of the Senior Secured Notes will not be able to instruct the Security Agent, force a sale of collateral or otherwise independently pursue the remedies of a secured creditor under the relevant Security Documents, unless it comprises an Instructing Group, which, in turn, will depend on the quantum of the creditors in respect of the drawn and undrawn uncanceled commitments under the Senior Facilities and creditors in respect of certain hedging obligations. Disputes may occur between the holders of the Senior Secured Notes and creditors under our Senior Facilities as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the collateral. In such an event, the holders of the Senior Secured Notes will be bound by any decisions of the Instructing Group, which may result in enforcement action in respect of the collateral, whether or not such action is approved by the holders of the Senior Secured Notes or may be adverse to such holders. The creditors under the Senior Facilities may have interests that are different from the interest of holders of the Senior Secured Notes and they may elect to pursue their remedies under the security documents at a time when it would otherwise be disadvantageous for the holders of the Senior Secured Notes to do so.

In addition, if the Security Agent sells collateral comprising the shares of Orange or the shares of any of our subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Senior Secured Notes and the Notes Guarantees of the Senior Secured Notes and the Senior Notes and the liens over any other assets securing the Senior Secured Notes and the Senior Secured Notes Guarantees may be released. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*” and “*Description of the Senior Secured Notes—Security—Release of Liens.*”

The collateral may not be sufficient to secure the obligations under the Notes.

The Senior Secured Notes and the Senior Secured Notes Guarantees will be secured by security interests in the collateral described in this Prospectus, which collateral also secures the obligations under the Senior Facilities Agreement and, with respect to certain limited collateral, the Senior Notes (on a second-priority basis). The collateral may also secure additional debt to the extent permitted by the terms of the Senior Facilities Agreement, the Senior Secured Notes Indenture, the Senior Notes Indenture and the Intercreditor Agreement. Your rights to the collateral may be diluted by any increase in the first-priority debt secured by the collateral or a reduction of the collateral securing the Senior Secured Notes.

The value of the collateral and the amount to be received upon an enforcement of such collateral will depend upon many factors, including, among others, the ability to sell the collateral in an orderly sale, economic conditions where operations are located and the availability of buyers. The book value of the collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the collateral may be illiquid and may have no readily ascertainable market value. Similarly, we cannot assure you that there will be a market for the sale of the collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the share pledges of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. The collateral is located in more than one country, and the multi-jurisdictional nature of any foreclosure on the collateral may limit the realizable value of the collateral. For example, the bankruptcy, insolvency, administrative and other laws of the various jurisdictions may be materially different from, or conflict with, each other, including in the areas of rights of creditors, priority of government and other creditors, ability to obtain post-petition interest and duration of the proceedings.

In addition, our business requires a variety of national, state and local permits and licenses. The continued operation of properties that comprise part of the collateral and that depend on the maintenance of such permits and licenses may be prohibited or restricted. Our business is subject to regulations and permitting requirements and may be adversely affected if we are unable to comply with existing regulations or requirements or if changes in applicable regulations or requirements occur. In the event of foreclosure, the grant of permits and licenses may be revoked, the transfer of such permits and licenses may be prohibited or may require us to incur significant cost and expense. Further, we cannot assure you that the applicable governmental authorities will consent to the transfer of all such permits. If the regulatory approvals required for such transfers are not obtained, are delayed or are economically prevented, the foreclosure may be delayed, a temporary or lasting shutdown of operations may result, and the value of the collateral may be significantly decreased.

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

The collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Senior Secured Notes Indenture, the Senior Notes Indenture and/or the Intercreditor Agreement and accepted by other creditors that have the benefit of priority security interests in the collateral securing the Senior Secured Notes and the Senior Notes from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the collateral securing the Notes, as well as the ability of the Security Agent to realize or foreclose on such collateral. Furthermore, the ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or recharacterization under the laws of certain jurisdictions.

The security interests of the Security Agent will be subject to practical problems generally associated with the realization of security interests in collateral. For example, under both Luxembourg and Swiss law, the enforcement of a share pledge, whether by means of a sale or an appropriation, is subject to certain specific requirements. The Security Agent may also need to obtain the consent of a third party to enforce a security interest in certain jurisdictions. We cannot assure you that the Security Agent will be able to obtain any such consents. 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 Security Agent may not have the ability to foreclose upon those assets, and the value of the collateral may decline significantly.

The security interests in the collateral will be granted to the Security Agent rather than directly to the holders of the Notes and the collateral will be granted subsequent to the issuance of the Notes. The ability of the Security Agent to enforce certain of the collateral may be restricted by local law.

The security interests in the collateral that will secure our obligations under the Notes and the obligations of the Guarantors under the Notes Guarantees will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent. The Senior Secured Notes Indenture and the Senior Notes Indenture

will each provide (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the security documents. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the collateral securing the Notes, except through the Senior Secured Notes Trustee or Senior Notes Trustee, as the case may be, which will (subject to the applicable provisions of the Senior Secured Notes Indenture or the Senior Notes Indenture) provide instructions to the Security Agent in respect of the collateral.

The appointment of a foreign security agent will be recognized under Luxembourg law, (i) to the extent that the designation is valid under the law governing such appointment and (ii) subject to possible restrictions, depending on the type of the security interests. Generally, according to paragraph 2(4) of the Luxembourg Act dated August 5, 2005 concerning financial collateral arrangements, a security (financial collateral) may be provided in favor of a person acting on behalf of the collateral taker, a fiduciary or a trustee in order to secure the claims of third-party beneficiaries, whether present or future, provided that these third-party beneficiaries are determined or may be determined. Without prejudice to their obligations vis-à-vis third-party beneficiaries of the security, persons acting on behalf of beneficiaries of the security, the fiduciary or the trustee benefit from the same rights as those of the direct beneficiaries of the security aimed at by such law.

Under Swiss law, certain “accessory” security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of third parties who do not hold the secured claim. The beneficial holders of the Notes from time to time will not be party to the security documents relating to the collateral. Consequently, the Swiss law governed security interests in the form of a pledge in certain of the collateral (including the share pledges of Orange and Orange Network SA) that (if and when granted) will constitute security for the obligations of the Senior Secured Notes Issuer will not be granted directly to the holders of Senior Secured Notes but only in favor of the Security Agent, as beneficiary of parallel debt obligations (the “Parallel Debt”). This Parallel Debt is created by way of an abstract acknowledgment of debt (*abstraktes Schuldanerkenntnis*) to satisfy a requirement under the laws of Switzerland that the Security Agent, as grantee of certain types of collateral, be a creditor of the relevant debtor of the secured obligations. The Parallel Debt is in the same amounts and payable at the same times as the obligations of the Senior Secured Notes Issuer under the Senior Secured Notes Indenture (the “Principal Obligations”). Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Although the Security Agent will have, pursuant to the Parallel Debt, a claim against the Senior Secured Notes Issuer for the full aggregate principal amount of the Senior Secured Notes, holders of Senior Secured Notes will bear some risk associated with a possible insolvency or bankruptcy of the Security Agent. The Parallel Debt obligations referred to above are contained in the Intercreditor Agreement, which is governed by English law, and will also be agreed and acknowledged under the Senior Secured Notes Indenture, which is governed by New York law. There is no assurance that such a structure will be effective before the Swiss courts as there is no judicial or other guidance as to its efficacy, and therefore the ability of the Security Agent to enforce the collateral may be restricted.

The rights to enforce remedies with respect to the collateral securing the Senior Notes and the Senior Notes Guarantees are limited as long as any senior debt is outstanding.

The security interests in all of the collateral securing the Senior Notes and each Senior Notes Guarantee will rank behind the first-priority security interests in such collateral in favor of the creditors under the Senior Facilities Agreement, the Senior Secured Notes and in favor of institutions with whom we enter into certain hedging arrangements. The Intercreditor Agreement provides that a common security agent will serve as the Security Agent for the secured parties under the Senior Facilities, the Senior Secured Notes, the Senior Notes and certain hedging arrangements and will (subject to certain limited exceptions) act with respect to such collateral only at the direction of the relevant instructing group of creditors under the Senior Facilities, holders of the Senior Secured Notes and certain hedging counterparties until amounts outstanding under such debt instruments are paid in full and discharged. Until the expiration of a standstill period on enforcement of such security on behalf of holders of the Senior Notes, the creditors under the Senior Facilities, the Senior Secured Notes and certain hedging counterparties will have (subject to certain limited exceptions) the exclusive right to make all decisions with respect to the exercise of remedies relating to such collateral. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*” As a result, the holders of the Senior Notes will not be able to force a sale of such collateral, or otherwise independently pursue the remedies of a secured creditor under the relevant security documents, until the expiration of the applicable standstill period for so long as any amounts under our Senior Facilities, certain of our hedging arrangements and the Senior Secured Notes remain outstanding. The creditors under our Senior Facilities, certain hedging counterparties and the holders of the Senior Secured Notes may have interests that are different from the interests of holders of the Senior Notes, and

they may elect to pursue their remedies under the Security Documents at a time when it would be disadvantageous for the holders of the Senior Notes to do so. This may affect the ability of holders of the Senior Notes to recover under the collateral if the proceeds from the collateral, after having satisfied obligations under our Senior Facilities, certain of our hedging arrangements and the Senior Secured Notes, are less than the aggregate amount owed in respect of the Senior Notes.

In addition, if the creditors or the agent under our Senior Facilities, certain hedging counterparties or the holders of the Senior Secured Notes cause the sale of the shares of the Senior Secured Notes Issuer or the shares of any of our subsidiaries through an enforcement of their first-priority security interest, in accordance with the terms of the Intercreditor Agreement, the Senior Notes Guarantees and the liens over any other assets securing the Senior Notes and each Senior Notes Guarantee may be released. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*” and “*Description of the Senior Notes—Security—Release of Liens.*”

The Senior Notes Guarantees will be subordinated to our existing and future senior debt and the Senior Notes are subject to restrictions on payment and enforcement.

The Senior Notes Guarantees will be senior subordinated obligations of the Senior Secured Notes Issuer, Orange and Orange Network SA and each will:

- be subordinated in right of payment to all of the Senior Notes Guarantors’ existing and future senior indebtedness, including any indebtedness under the Senior Facilities Agreement, the Senior Secured Notes and any hedging obligations in respect thereto;
- rank *pari passu* in right of payment with any existing and future senior subordinated indebtedness of the Senior Notes Guarantor;
- rank senior in right of payment to all existing and future indebtedness of the Senior Notes Guarantors that is expressly subordinated to the Senior Notes; and
- be effectively subordinated to any existing and future indebtedness of the Senior Notes Guarantors that is secured by property or assets that do not secure the Senior Notes, to the extent of the value of the property or assets securing such indebtedness.

In addition, no enforcement action with respect to the Senior Notes Guarantees (or any future guarantee of the Senior Notes, if any) may be taken unless (subject to certain limited exceptions): (i) any enforcement action has been taken with respect to senior debt (provided the Senior Notes Trustee and holders of the Senior Notes will be limited to taking the same action); (ii) an insolvency event has occurred in relation to the Senior Notes Issuer; (iii) with respect to any enforcement action on a Guarantor, an insolvency event has occurred with respect to the relevant Senior Notes Guarantor; (iv) there is a default on the Senior Notes outstanding after a period of 179 days after the date on which the agent or Senior Secured Notes Trustee with respect to senior debt delivers written notice of such default; (v) the expiry of any other standstill period outstanding at the date the standstill period referred to in (iv) above commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy); (vi) a default has occurred resulting from a failure to pay principal on the Senior Notes at maturity or (vii) the lenders under the Senior Facilities and holders of the Senior Second Notes have given their consent to the proposed action. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*”

Upon any distribution to the creditors of a Senior Notes Guarantor in a liquidation, administration, bankruptcy, moratorium of payments, dissolution or other winding-up of such Senior Notes Guarantor, the holders of senior debt of such Senior Notes Guarantor will be entitled to be paid in full before any payment may be made with respect to its Senior Notes Guarantee. As a result, holders of the Senior Notes may receive less, ratably, than the holders of senior debt of the Senior Notes Guarantors, including the lenders under our Senior Facilities and holders of the Senior Secured Notes.

In addition, the Intercreditor Agreement contains significant restrictions with respect to payments of the Senior Notes, including payments by the Senior Notes Issuer. If there is a payment default under the Senior Facilities or the Senior Secured Notes, or if a senior payment stop notice is issued following a non-payment event of default under the Senior Facilities or the Senior Secured Notes, then payments will not be permitted to be made in respect of the Senior Notes unless the payment is made by the Senior Notes Issuer and funded directly or indirectly with amounts which have not been received by the Senior Notes Issuer from its subsidiaries. In some circumstances, for instance where payments were received on the Senior Notes in breach of the Intercreditor Agreement, holders would be required to turn over such payments to the Security Agent for redistribution. In addition, although the holders of the Senior Notes are generally entitled to enforce their claims

against the Senior Notes Issuer pursuant to the terms of the Indenture, nevertheless the Intercreditor Agreement places limits on enforcement to the extent it would prejudice the enforcement by senior creditors of their security granted by the Senior Notes Issuer. See *“Description of Certain Financing Arrangements—Intercreditor Agreement.”*

As of September 30, 2011, after giving effect to the Transactions, we would have had an aggregate principal amount of outstanding financial liabilities (excluding derivative liabilities) that ranked senior to the Senior Notes Guarantees of CHF 1.075 billion and up to CHF 100 million would have been available for borrowing under the committed and undrawn portion of the Senior Facilities. See *“Capitalization.”*

Claims of our secured creditors will have priority with respect to their security over the claims of unsecured creditors, to the extent of the value of the assets securing such indebtedness.

Claims of our secured creditors will have priority with respect to the assets securing their indebtedness over the claims of our unsecured creditors. Not all of the assets that will secure our Senior Facilities and the Senior Secured Notes will secure the Senior Notes. Accordingly, each Senior Notes Guarantee will be effectively subordinated to its obligations with respect to the Senior Facilities and the Senior Secured Notes and any other indebtedness and obligations of the relevant Senior Notes Guarantor that is secured by assets that do not also secure the Senior Notes to the extent of the value of such assets. In the event of any foreclosure, dissolution, winding up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any Senior Notes Guarantor that has any such secured obligations, holders of such secured indebtedness will have prior claims to the assets of such Senior Notes Guarantor that constitute their collateral. To the extent the assets securing the Senior Notes are not sufficient to repay all amounts owing in respect thereof, subject to the limitations referred to under the caption *“—Risk Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability,”* the holders of the Senior Notes will participate ratably with all holders of the unsecured indebtedness of the relevant Senior Notes Guarantor (other than indebtedness to which the Senior Notes Guarantees have been expressly subordinated), and, potentially with all of their other general creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of the relevant Senior Notes Guarantor. In the event that any of the indebtedness of the relevant Senior Notes Guarantor that is secured by assets that do not also secure the Senior Notes becomes due or the creditors thereunder proceed against the operating assets that secured such indebtedness, the assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the relevant Senior Notes Guarantee. As a result, holders of Senior Notes may receive less, ratably, than holders of secured indebtedness of the relevant Senior Notes Guarantor.

As of September 30, 2011, after giving effect to the Transactions, we would have had an aggregate principal amount of CHF 1.075 billion of secured financial liabilities (excluding derivative liabilities) outstanding, and up to CHF 100 million would have been available for additional borrowings under the committed and undrawn portion of the Senior Facilities. We will be permitted to borrow substantial additional indebtedness, including senior debt, in the future, under the terms of the Senior Notes Indenture.

The ability of holders of Senior Notes to recover under the pledge of the shares of the Senior Secured Notes Issuer and other security interests may be limited.

In order to secure the obligations under the Senior Notes and the Senior Notes Guarantees, the Senior Notes Issuer will grant security interests on a second-priority basis over the ownership interests in the Senior Secured Notes Issuer and loans made by the Senior Notes Issuer to the Senior Secured Notes Issuer (including the loans described under *“Description of the Senior Notes—The Profit Participating Loans”*). Security interests on an equal and ratable first-priority basis in such collateral will be granted for the benefit of creditors under our Senior Facilities and the Senior Secured Notes as well as certain hedging counterparties. Holders of the Senior Notes may not be able to recover on the shares that are pledged or assigned because the creditors under the Senior Facilities and Senior Secured Notes will have a prior claim on all proceeds realized from any enforcement of such pledges and any enforcement sale with respect to such collateral, and the Senior Notes will need to share any remaining proceeds from such enforcement with any other secured creditor. If the proceeds realized from the enforcement of such pledges or such sale or sales exceed the amount owed under our Senior Facilities, certain of our hedging arrangements and the Senior Secured Notes, any excess amount of such proceeds will be paid to the Senior Notes Trustee on behalf of itself and the registered holder of the Senior Notes for the benefit of the holders of the Senior Notes. If there are no excess proceeds, or if the amount of such excess proceeds is less than the aggregate amount of the obligations under the Senior Notes, the holders of Senior Notes will not fully recover (if at all) under such collateral.

Pursuant to the Intercreditor Agreement, until the expiration of a standstill period on enforcement of security on behalf of the holders of the Senior Notes, the Senior Notes Trustee, the Security Agent and holders of the Senior Notes will (subject to certain limited exceptions) not be able to force a sale of the collateral securing the Senior Notes or otherwise independently pursue the remedies of a secured creditor under the Security Documents relating to such collateral for so long as any amounts under the Senior Facilities, certain of our hedging arrangements and the Senior Secured Notes remain outstanding and, if the creditors under the Senior Facilities, certain of our hedging arrangements or the Senior Secured Notes enforce their security, they will have priority over the holders of the Senior Notes with respect to the proceeds from this collateral. See “*The rights to enforce remedies with respect to the collateral securing the Senior Notes and the Senior Notes Guarantees are limited as long as any senior debt is outstanding.*” As such, holders of the Senior Notes may not be able to recover on the collateral if the claims of the creditors under the Senior Facilities, certain of our hedging arrangements or the Senior Secured Notes are greater than the proceeds realized from any enforcement of the collateral. In addition, if the creditors or the agent or the Senior Secured Notes Trustee under the Senior Facilities or the Senior Secured Notes (as applicable) sell the Senior Secured Notes Issuer’s shares through an enforcement of their first-priority security interest in accordance with the Intercreditor Agreement, the second-priority security interest over such shares securing the Senior Notes and the Senior Notes Guarantees will be automatically released. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*” and “*Description of the Senior Notes—Security—Release of Liens.*”

The interests of holders of Floating Rate Senior Secured Notes and the interests of the holders of Fixed Rate Senior Secured Notes may be inconsistent.

The Floating Rate Senior Secured Notes and the Fixed Rate Senior Secured Notes will be issued pursuant to a single indenture and will vote as a single class with respect to amendments, waivers or other modifications of the indenture other than with respect to amendments, waivers or other modifications that will only affect the Fixed Rate Senior Secured Notes or the Floating Rate Senior Secured Notes. The Floating Rate Senior Secured Notes will bear interest at a floating rate, will have a different call schedule and call protection and will have other features that will differ from the Fixed Rate Senior Secured Notes. As a result of these differences, the interests of holders of the Floating Rate Senior Secured Notes and the interests of holders of the Fixed Rate Senior Secured Notes could conflict. For example, the holders of one series of Notes may be in a position to agree to certain terms in a consent solicitation that would be beneficial to such series of Notes but adverse to the economic interest of the other series of Notes; however, to the extent the relevant amendment or waiver is approved by the holders of a majority in aggregate principal amount of the Notes (subject to the limited exceptions described above), all holders will be bound by such amendment.

Risks Related to Our Structure

Each of the Issuers is a holding company dependent upon cash flow from subsidiaries to meet its obligations on the Notes and the Notes Guarantees.

Each of the Issuers is a holding company with no independent business operations or significant assets other than investments in their subsidiaries. Each of these holding companies depends upon the receipt of sufficient funds from their subsidiaries to meet its obligations. We intend to provide funds to the Issuers in order to meet the obligations on the Notes through a combination of payment of interest and principal on the Profit Participating Loans, dividends and other intercompany loans. The Profit Participating Loans will bear interest at a variable rate and may not be sufficient to pay interest on the Notes. The obligations under the Profit Participating Loans will be junior obligations and will be subordinated in right of payment to all existing and future senior and senior subordinated indebtedness of the Senior Secured Notes Issuer, including obligations under, or guarantees of obligations under, the Senior Facilities, the Senior Secured Notes and the Senior Notes.

If the amount of the interest payments with respect to the Profit Participating Loans is less than the scheduled interest payments on the Notes or if our subsidiaries do not fulfill their obligations under the Profit Participating Loans and other intercompany loans and do not distribute cash to the relevant Issuer to make scheduled payments on the Notes, the Issuers’ ability to make payments may be limited and depend on factors beyond its control.

Various agreements governing our debt may restrict and, in some cases may actually prohibit, the ability of these subsidiaries to move cash within their restricted group. Applicable tax laws may also subject such payments to further taxation. Applicable law may also limit the amounts that some of our subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or even prevent such payments. In particular, the ability of the Company to pay dividends to the Senior Secured Notes Issuer will generally be

limited to the amount of distributable reserves available at the Company. Under Swiss law, all dividends may only be distributed out of distributable reserves, and, in principle, interim dividends are not allowed under Swiss law. However, it is uncertain under Swiss law whether interim dividends may be allowed in certain circumstances, subject to strict conditions. Under Luxembourg law, all dividends may only be distributed out of distributable reserves, and any interim dividend distribution by a public limited liability company shall be subject to strict conditions. In addition, the subsidiaries of the Issuers that do not guarantee the Notes have no obligation to make payments with respect to either series of the Notes.

The inability to transfer cash among entities within their respective consolidated groups may mean that, even though the entities, in aggregate, may have sufficient resources to meet their obligations, they may not be permitted to make the necessary transfers from one entity in their restricted group to another entity in their restricted group in order to make payments to the entity owing the obligations.

There are circumstances other than repayment or discharge of the Notes under which the collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the relevant Trustee.

Under various circumstances, the Notes Guarantees and the collateral securing the Notes will be released automatically, including, without limitation:

- in the case of collateral, in connection with any sale or other disposition to any third party of the property or assets constituting collateral, so long as the sale or other disposition is permitted by the relevant Indenture or to the Senior Notes Issuer or any restricted subsidiary consistent with the Intercreditor Agreement;
- in the case of a Guarantor that is released from its Notes Guarantee pursuant to the terms of the relevant Indenture, the release of the property and assets of such Guarantor;
- in accordance with the “Amendments and Waivers” provisions of the relevant Indenture;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the relevant Indenture as provided under the captions “Description of the Senior Secured Notes—Defeasance,” “Description of the Senior Notes—Defeasance,” “Description of the Senior Secured Notes—Satisfaction and Discharge” and “Description of the Senior Notes—Satisfaction and Discharge;”
- with respect to the property and assets securing the Senior Secured Notes, automatically if a security interest granted in favor of the Senior Facilities, public debt or such other indebtedness that gave rise to the obligation to grant the security interest over such property and assets is released (other than pursuant to the payment and discharge thereof); or
- in accordance with the Intercreditor Agreement.

Unless consented to by the holders of the relevant Notes, the Intercreditor Agreement provides that the Security Agent shall not, in an enforcement scenario, exercise its rights to release the Notes Guarantees or security interests in the collateral unless the relevant sale or disposal is made:

- for consideration all or substantially all of which is in the form of cash;
- to the extent there is a release of Notes Guarantees or security granted for the benefit of the holders of Senior Notes, concurrently with the discharge or release of the indebtedness of the disposed entities of certain other creditors, including the creditors under the Senior Facilities and holders of the Senior Secured Notes, unless each agent for the senior creditors determines that the senior creditors will recover a greater amount if any such claim is sold or otherwise transferred to the purchaser of the disposed entities and not released and discharged; and
- pursuant to a public auction, or a fairness opinion has been obtained from a financial adviser selected by the Security Agent.

The Intercreditor Agreement also provides that the collateral securing the Notes may be released and retaken in connection with the refinancing of certain indebtedness, including the Notes, if the Senior Notes Issuer has confirmed in writing to the Security Agent that it has determined that it is either not possible or not desirable to implement any such refinancing on terms satisfactory to it by instead granting additional collateral and/or amending the terms of the existing collateral. In certain jurisdictions, such a release and retaking of collateral may give rise to the start of a new “hardening period” in respect of such collateral. Under certain circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of such collateral. Any such challenge, if successful, could potentially limit your recovery in respect of such collateral and thus reduce your recovery under the Notes.

See “Description of Certain Financing Arrangements—Intercreditor Agreement” and “Description of the Senior Secured Notes.”

The Senior Secured Notes, the Senior Notes, each of the Notes Guarantees and the Profit Participating Loans will each be structurally subordinated to the liabilities and preference shares (if any) of our non-Guarantor subsidiaries.

As of the Issue Date, the Senior Secured Notes Issuer will be the only subsidiary of the Senior Notes Issuer that guarantees the Senior Notes and the Senior Notes Issuer is the only guarantor that will guarantee the Senior Secured Notes. Other than Orange and Orange Network, which are expected to guarantee the Senior Secured Notes within 60 days of the Completion Date, it is not currently contemplated that any of our other subsidiaries will guarantee the Notes. Generally, claims of creditors of a non-Guarantor subsidiary, including trade creditors, and claims of preference shareholders (if any) of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity, including claims under the Profit Participating Loans and any intercompany loans and by holders of the Notes under the Notes Guarantees. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of our non-Guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to its parent entity. As such, the Senior Secured Notes, the Senior Notes, each Notes Guarantee and the Profit Participating Loans will each be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of our non-Guarantor subsidiaries for the Senior Notes and the Senior Secured Notes. As of and for the nine months ended September 30, 2011, our only subsidiary that will not guarantee the Notes, Orange Liechtenstein, did not have a material amount of EBITDA or assets.

The collateral will not be taken as of the Issue Date.

The collateral securing the Notes offered hereby will not be taken as of the Issue Date of the Notes. Subject to certain exceptions, the collateral provided by the Senior Secured Notes Issuer and the Senior Notes Issuer with respect to the Senior Secured Notes will be granted on or prior to the Completion Date. The collateral provided by Orange and Orange Network with respect to the Senior Secured Notes will, subject to the Agreed Security Principles, be granted within 60 days of the Completion Date. The collateral with respect to the Senior Notes will be granted on or prior to the Completion Date. In addition, the collateral may be subject to certain perfection requirements in order to be enforced. See “—Your rights in the collateral may be adversely affected by the failure to perfect security interests in the collateral.” and “Description of the Senior Secured Notes—Security—The Collateral” and “Description of the Senior Notes—Security—The Collateral.”

Your rights in the collateral may be adversely affected by the failure to perfect security interests in the collateral.

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The liens on the collateral securing the Notes may not be perfected with respect to the claims of the Notes if we, or the Security Agent, fail or are unable to take the actions required to perfect any of these liens. Under Swiss law, the share pledges of Orange and Orange Network that are intended to constitute security for the obligations of the Senior Secured Notes Issuer under the Senior Secured Notes and the Senior Secured Notes Indenture will not be effectively granted until the relevant share certificates (if and to the extent such share certificates have been issued) are in the possession of the Security Agent.

Under Luxembourg law, contracts are formed by the mere agreement (*consentement*) between the parties thereto. However, additional steps are required to enforce security interests against third parties.

Securities such as pledges, and transfer of ownership as a security, granted on financial instruments and claims are governed by the Luxembourg Act dated August 5, 2005 concerning financial collateral arrangements. Pursuant to this law, a pledge is effected, not by transfer of title, but by a transfer of possession of the pledged assets to the pledgee or to a third party acting as depository for the pledgee and the pledgee’s preference rights over the pledged assets only remain in existence as long as the pledgee or the depository remains in possession of such assets.

A physical transfer of possession not being possible for intangibles such as monetary claims, the Luxembourg Act dated August 5, 2005 concerning financial collateral arrangements provides for a fictitious transfer of possession which is effected by mechanisms which depend on the nature of the intangibles involved. In case of

registered shares, the dispossession is achieved by the entry of the security interest in the register of the issuer. Dispossession of cash collateral or rights under contracts is achieved by the security interest thereon being notified by the debtor / co-contractor or by the acceptance thereof by the debtor of such claims or the co-contractor.

Absent perfection, the holder of the security interest may have difficulty enforcing such holder's rights in the collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same collateral. In addition, a debtor may discharge its obligation by paying the security provider until, but not after, the debtor receives a notification of the existence of the security interest granted by the security provider in favor of the security taker over the claims the security taker (as creditor) has against the debtor. Finally, since the ranking of pledges is determined by the date on which they became enforceable against third parties, a security interest created on a later date over the same collateral, but which come into force for third parties earlier (by way of registration in the appropriate register or by notification) has priority.

Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.

The Senior Secured Notes Issuer, Orange and Orange Network will guarantee the payment of the Senior Notes on a senior subordinated basis and the Senior Notes Issuer, Orange and Orange Network will guarantee the Senior Secured Notes on a senior basis. Each Notes Guarantee will provide the relevant holders of the Notes with a direct claim against the relevant Guarantor. In addition, the Senior Notes Issuer, the Senior Secured Notes Issuer, Orange and Orange Network will secure the payment of the Senior Secured Notes on a senior basis by granting security under the relevant Security Documents. The Senior Notes Issuer will secure the payment of the Senior Notes on a junior basis by granting security under the relevant Security Documents. However, each Indenture will provide for general limitation language to the effect that each Notes Guarantee and each security interest granted as well as any other obligation, liability or indemnification under a Security Document will be limited to the maximum amount that can be guaranteed/secured by the relevant Guarantor/security provider with respect to the aggregate obligations and exposure of the Guarantor/security provider without rendering the relevant Notes Guarantee/security interest voidable or otherwise ineffective under Luxembourg, Swiss and other applicable law, and enforcement of each Notes Guarantee/Security Document would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally.

Luxembourg law also provides for specific limitations with respect to financial assistance. In particular, any security interests/guarantees granted by entities organised in Luxembourg, which constitute breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg law dated August 10, 1915 on commercial companies, as amended (the "Companies Act 1915"), or any other similar provisions (to the extent applicable, as at the date of this Prospectus, to a entity organised under the laws of Luxembourg and having the form of a private limited liability company) might not be enforceable.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other laws, a court could subordinate or void the Notes Guarantees or the security interest granted under the Security Documents and, if payment had already been made under a Notes Guarantee or enforcement proceeds applied under a Security Document, require that the recipient return the payment to the relevant Guarantor/security provider, if the court found that:

- the amount paid or payable under the relevant Notes Guarantee or the enforcement proceeds under the relevant Security Document was in excess of the maximum amount permitted under applicable law;
- the relevant Notes Guarantee or security interest under a Security Document was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor/security provider or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor/security provider was insolvent when it granted the relevant Notes Guarantee or security interest;
- the Guarantor/security provider did not receive fair consideration or reasonably equivalent value for the relevant Notes Guarantee/security interest and the Guarantor/security provider was: (i) insolvent or rendered insolvent because of the relevant Notes Guarantee/security interest; (ii) undercapitalized or became undercapitalized because of the relevant Notes Guarantee/Security Document; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity; or
- the relevant Notes Guarantees/Security Documents were held to exceed the corporate objects/corporate purposes of the Guarantor/security provider or not to be in the best interests or for the corporate benefit of the Guarantor/security provider.

In particular, since the Notes Guarantees and security interests as well as any other obligation, liability or indemnification under the Security Documents granted by Orange and Orange Network (the “Swiss Security Providers”) constitute obligations/guarantees/security for liabilities of structurally superior companies (so called “upstream obligations/guarantees/security”), the liability of the Swiss Security Providers under their Senior Secured Notes Guarantees/Security Documents is limited under Swiss law (i) insofar as such upstream obligations/guarantees/security must be within the corporate purpose and interests of such Swiss Security Provider and (ii) to the amount of such Swiss Security Provider’s freely disposable equity, being the balance sheet profits and non-statutory reserves available for the distribution as dividends at the time of enforcement of the Senior Secured Notes Guarantees and the security interests under the Security Documents. The payment of dividends from Orange to the Senior Secured Notes Issuer will reduce the distributable profits and reserves available to satisfy the obligations under the Senior Secured Notes Guarantees/Security Documents. We are under no obligation to maintain a specific level of distributable profits and reserves, and, if we have distributable profits and reserves, we may make dividend payments that reduce our distributable profits and reserves to zero. We intend to make dividends to service indebtedness and for tax-planning purposes. There can be no assurances that we will have distributable profits and reserves available to satisfy the obligations under the Senior Secured Notes Guarantees/Security Documents, whether or not we make dividends. The payment of dividends to service our debt obligations (including under the Notes) will deplete the distributable reserves available to satisfy the obligations under the Senior Secured Notes Guarantees. In addition, the payment under the Senior Secured Notes Guarantees by the Swiss Security Providers and the enforcement of security interests under the relevant Security Documents may require certain prior corporate formalities to be completed, including, but not limited to, obtaining an audit report, shareholders’ resolutions and board resolutions. Also, the enforcement of a Swiss Security Provider’s Senior Secured Notes Guarantee and the security interest granted by them under the Security Documents may give rise to Swiss withholding taxes on dividends (of up to 35% at present rates, subject to applicable double-taxation treaties) to the extent that the payment or enforcement of security interest have to be regarded as a deemed distribution by a Swiss Security Provider to the Senior Secured Notes Issuer or any other related party and the obligations of a Swiss Security Provider to gross-up by paying additional amounts may not be enforceable under Swiss Law. In addition, the guarantees will be limited to the maximum amount such that the amount of indebtedness for which interest is deductible would not be exceeded; this amount would be tested annually. It is expected that initially this amount would be low or close to zero. In addition, financial assistance rules are uncertain under Swiss law. We cannot provide any assurance that future court rulings will not further restrict the enforceability, or deny the validity, of guarantees and security interests. Such rulings would negatively affect the ability to enforce the guarantees and security interests granted by Swiss companies. Further, Swiss corporate law rules may significantly impact the value of the guarantees or security interests.

The Companies Act 1915 does not provide for rules governing the ability of a Luxembourg company to guarantee the indebtedness of another entity of the same group. A company may give a guarantee provided the giving of the guarantee is covered by the company’s corporate purposes, corporate benefit and is in the best interest of the company. Although no statutory definition of corporate benefit (*intérêt social*) exists under Luxembourg law, corporate benefit is widely interpreted and includes any transactions from which the company derives a direct or indirect economic or commercial benefit in return (such as an economic or commercial benefit) and whether the benefit is proportionate to the burden of the assistance. The provision of guarantee/security interest for the obligations of direct or indirect subsidiaries is likely to raise no particular concerns, whereas the provision of cross-stream and upstream guarantees/security interests may be more problematic. It is generally held that within a group of companies, the corporate interest of each individual corporate entity can include, to a certain extent, the interest of the group, and that the existence of a group interest can in certain cases result in the guarantee being held enforceable even where corporate benefit is not established. In this way, reciprocal assistance from one group company to another does not necessarily conflict with the interest of the assisting company. However, this assistance must be temporary, in proportion to the real financial means of the assisting company (i.e., limited to an aggregate amount not exceeding the assisting company’s own funds (*capitaux propres*)), the company must receive some benefit or there must be a balance between the respective commitments of all the affiliates and the companies involved must form part of a genuine group operating under a common strategy aimed at a common objective. As a result, the guarantees/security interests granted by a Luxembourg company may be subject to limitations in order to ensure their enforceability.

Further, a guarantee/security interest that substantially exceeds the guarantor’s/security provider’s ability to meet its obligations to the beneficiary of the guarantee/security provider and to its other creditors, or from which the Luxembourg company derives no or very limited personal benefit in return, or where no direct or indirect consideration is granted to the company in exchange, would expose its directors or managers to personal liability. In addition to any criminal and civil liability incurred by the manager of the Luxembourg company, in extreme circumstances the guarantee or security interest could itself be held unenforceable, if it is held that it is contrary

to public policy (*ordre public*), in the case of facts consisting of a misuse of corporate assets. The Notes Guarantees granted by Luxembourg companies may be limited to a certain percentage of, among others, the relevant company's net worth.

The measure of insolvency for purposes of fraudulent conveyance laws varies depending on the law applied. For example, generally, a Luxembourg company would be considered insolvent if it is demonstrated that it is in a state of cessation of payments (*cessation des paiements*) and has lost its commercial creditworthiness (*ébranlement de crédit*). The following transactions must be declared null and void if they were undertaken during the so-called "suspect period" (*période suspecte*) which is a maximum of six months (and ten days, depending on the transaction in question) preceding the judgment declaring bankruptcy:

- disposition of the assets without consideration or for materially inadequate consideration;
- payments of debts which had not fallen due, whether the payment was in cash or by way of assignment, sale, set-off, or by any other means;
- payments of debts which had fallen due, by any other means than in cash or by bills of exchange; and
- mortgages or pledges granted to secure pre-existing debts.

The insolvency laws of Luxembourg and Switzerland may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.

Luxembourg

Each of the Senior Notes Issuer and the Senior Secured Notes Issuer are incorporated under the laws of Luxembourg and, in the event of an insolvency of any of these entities, insolvency proceedings may be initiated in Luxembourg. 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 an Issuer or current or future Guarantor incorporated under the laws of Luxembourg (a "Luxembourg Guarantor") experienced 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 (altogether referred to as insolvency proceedings) may be opened against an entity having its center of main interests in Luxembourg or an establishment within the meaning of EU Council Regulation No. 1346/2000 of May 29, 2000 on insolvency proceedings (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 Luxembourg court finds that these conditions are satisfied, it may also 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 provisional suspension of payments, including a stay of enforcement of claims by secured creditors; and
- composition proceedings (*concordat préventif de faillite*), which may be requested only 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 the composition proceedings triggers a provisional stay on enforcement of claims by creditors.

In addition, your ability to receive payment on the relevant Notes may be affected by a decision of a Luxembourg court to grant a stay on payments (*sursis de paiement*) or to put the relevant Issuer into judicial liquidation (*liquidation judiciaire*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the commercial code or of the laws governing commercial companies, including the Companies Act 1915. The management of such liquidation proceedings will generally follow the rules of bankruptcy proceedings.

Liability of any Issuer or Luxembourg Guarantor in respect of the relevant Notes will, in the event of a liquidation of the entity 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;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise;
- social security contributions; and
- remuneration owed to employees.

Pursuant to article 20 of the Luxembourg Act dated August 5, 2005 concerning financial collateral arrangements, all collateral arrangements in respect of assets over which the Luxembourg security interests have been granted, as well as all enforcement events and valuation and enforcement measures agreed upon by the parties in accordance with this law, are valid and enforceable against third parties, commissioners, receivers, liquidators and other similar persons notwithstanding any insolvency proceedings.

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 Luxembourg 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, you should note that 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 laws may also affect transactions entered into or payments made by the relevant Luxembourg company during the period before bankruptcy, the so-called "suspect period" (*période suspecte*) which is a maximum of six months (and ten days, depending on the transaction in question) preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date; if the bankruptcy judgment was preceded by another insolvency bankruptcy judgment under Luxembourg law, the court may set the maximum up to six months prior to the filing for such controlled management. 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 debts; the 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 which have fallen due by any means other than in cash or by 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 21 (2) of the Luxembourg Act dated August 5, 2005 concerning financial collateral arrangements, notwithstanding the suspect period as referred to in articles 445 and 446 of the Luxembourg Code of Commerce, where a financial collateral arrangement has been entered into after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures, such arrangement is valid and binding against third parties, administrators, insolvency receivers, liquidators and other similar organs 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; and
- in the case of bankruptcy, article 448 of the Luxembourg Code of Commerce and article 1167 of the Civil Code (*action paulienne*) gives the insolvency receiver (acting on behalf of the creditors) 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.

The transactions potentially subject to avoidance also include those contemplated by the guarantees issued by the Senior Secured Notes Issuer and the Senior Notes Issuer or the granting of security interests under the Security Documents by a Luxembourg entity. If they are challenged successfully, the guarantees issued by the Senior Secured Notes Issuer and the Senior Notes Issuer may become unenforceable and any amounts received must be refunded to the insolvent estate.

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. 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 hence have a material adverse effect on the relevant Luxembourg company's business and assets and the Luxembourg company's respective obligations under the Notes (as Issuer or Luxembourg Guarantor, as applicable).

Finally, international aspects of Luxembourg bankruptcy, controlled management or composition proceedings may be subject to EU Council Regulation No. 1346/2000 of May 29, 2000 on insolvency proceedings.

Switzerland

Orange and Orange Network are incorporated under the laws of Switzerland and, in the event of an insolvency of any of these entities, insolvency proceedings may be initiated in Switzerland. The insolvency laws of Switzerland 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 Switzerland. In the event that Orange or its Swiss subsidiary experienced 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 Swiss insolvency laws, your ability to receive payment under the Senior Secured Notes and the Senior Notes may be more limited than would be the case under U.S. or any other non-Swiss bankruptcy laws. Under Swiss law, the following types of proceedings (altogether referred to as insolvency proceedings) may be opened against an entity having its registered office or assets in Switzerland.

In the event of a Swiss entity's insolvency, the respective insolvency proceedings would be governed by Swiss law as a result of such Swiss entity's offices being registered in the competent commercial register in Switzerland. In addition, Swiss debt enforcement and insolvency laws may be applicable in case of an enforcement of security interests over assets of a foreign entity located in Switzerland. The enforcement of claims and questions relating to insolvency and bankruptcy in general are dealt with by the Swiss Federal Act on Debt Enforcement and Bankruptcy, as amended from time to time. Under these rules, claims that are pursued against a Swiss entity can lead to the opening of bankruptcy (*Konkurs*) and, hence, a general liquidation of all assets, even if located outside Switzerland, and liabilities of the debtor. However, with regard to assets located outside Switzerland, a Swiss bankruptcy decree is enforceable only if it is recognized at the place where such assets are located. If bankruptcy has not been declared, creditors secured by a pledge must follow a special enforcement proceeding limited to the liquidation of the collateral (*Betreibung auf Pfandverwertung*) unless the parties have agreed on a private liquidation.

However, if bankruptcy is declared while such a special enforcement proceeding is pending, the proceeding ceases and the creditor participates in the bankruptcy proceedings with the other creditors and a private liquidation is no longer permitted.

As a rule, the opening of bankruptcy by the competent court needs to be preceded by a prior debt enforcement procedure which involves, inter alia, the issuance of a payment summons by local debt enforcement authorities (*Betreibungsamt*). However, the competent court may also declare a debtor bankrupt without such prior proceedings if the following requirements are met: (i) at the request of the debtor, if the debtor's board of directors or the auditors of the company (in case of failure of the board of directors) declare that the debtor is overindebted (*überschuldet*) within the meaning of art. 725 (2) of the Swiss Code of Obligations (or the corresponding provision of the Swiss Code of Obligations in case of a limited liability company (*GmbH*)) or if it declares to be insolvent (*zahlungsunfähig*), and (ii) at the request of a creditor, if the debtor commits certain acts to the detriment of its creditors or ceases to make payments (*Zahlungseinstellung*) or if certain events happen during composition proceedings. The bankruptcy proceedings are carried out and the bankrupt estate is managed by the receiver in bankruptcy (*Konkursverwaltung*).

All assets at the time of the declaration of bankruptcy and all assets acquired or received subsequently from the bankrupt estate which, after deduction of costs and certain other expenses, is used to satisfy the creditors. Assets of the bankrupt estate over which a pledge was created in favor of a creditor before the declaration of bankruptcy are included in the bankrupt estate. The pledgee is under an obligation to remit the pledged assets to the bankrupt estate. The assets are liquidated by the receiver in bankruptcy in the same manner as the other assets of the bankrupt estate, but the creditor secured by the pledge retains its privilege to be satisfied from the proceeds of the liquidation of the assets pledged to it with priority over the unsecured creditors. Final distribution of non-secured claims is based on a ranking of creditors in three classes. The first and the second class, which are privileged, comprise claims under employment contracts, accident insurance, pension plans, family law VAT legislation and for deposits under the Swiss banking act. Certain privileges can also be claimed by the government and its subdivisions based on specific provisions of federal law. All other creditors are treated equally in the third class. A secured party participates in the third class to the extent its claim is not covered by its collateral.

Claims assigned for security purposes by a Swiss entity that came into existence prior to the opening of bankruptcy can be enforced by the assignee outside Swiss bankruptcy proceedings. Assigned claims that come into existence after the opening of bankruptcy over a Swiss entity may fall within the bankrupt estate, and the assignee may not be entitled to such claim proceeds.

Swiss law is uncertain with respect to the enforceability of future receivables assigned by way of security that come into existence after the date of a bankruptcy. Under the current jurisprudence of the Swiss Federal Supreme Court, the assignment of claims coming into existence after the adjudication of bankruptcy or similar insolvency proceedings that lead to the loss of the capacity of the relevant assignor to dispose of such rights or claims may generally not be enforceable by the secured creditor.

The guarantees by the Swiss guarantors are, based on a choice of law, subject to the laws of New York. Should a Swiss court accept jurisdiction in proceedings on the merits, a Swiss court will generally recognize the choice of law. The scope of such choice of law is, usually, limited to the rules of the substantive law chosen by the parties; as to procedural matters, a Swiss court will apply Swiss procedural law. Due to the different nature of Swiss procedural law and the procedural law in common law jurisdictions (such as the United States of America and the United Kingdom) classification and delimitation issues between substantive and procedural law could occur. To establish the non-Swiss substantive law applicable to the merits, a Swiss court may, in pecuniary matters, request the parties to establish the non-Swiss substantive law; Swiss law will be applied, if the content of the foreign substantive law cannot be established. While a Swiss court will generally accept a choice of law, restrictively applied exceptions exist: Swiss courts may diverge from the chosen substantive law if such chosen law would lead to a result contrary to Swiss public policy, if the purpose of mandatory rules of Swiss law require, by their special aim, immediate application, or if the purpose of mandatory rules of another law, to which the dispute is closely connected, are considered legitimate under Swiss legal concepts and, upon weighing the interests of the parties involved, the clearly predominant interest(s) of one party so require.

Swiss insolvency laws also provide for reorganization procedures by composition with the debtor's creditors. Reorganization is initiated by a request with the competent court for a stay (*Nachlassstundung*) pending negotiation of the composition agreement with the creditors and confirmation of such agreement by the competent court. A distinction is made between a composition agreement providing for the assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) which leads to a private liquidation and in many instances has analogous effects as a bankruptcy, and a dividend composition (*Dividenden-Vergleich*) providing for the payment of a certain percentage on the creditors' claims and the continuation of the debtor. Further, there is the possibility of a composition in the form of a mere payment term extension (*Stundungsvergleich*). During a moratorium, debt collection proceedings cannot be initiated and pending proceedings are stayed. Furthermore, the debtor's power to dispose of its assets and to manage its affairs is restricted. In case of a pledge, the secured party is not entitled to proceed with a private liquidation until the confirmation of the settlement by the competent court. A secured creditor participates in the settlement only for the amount of its claim not covered by the collateral. The moratorium does not affect the agreed due dates of debts (contrary to bankruptcy, in which case all debts become immediately due upon adjudication). The moratorium aims at facilitating the conclusion of one of the above composition agreements. Any composition agreement needs to be approved by the creditors and confirmed by the competent court. With the judicial confirmation, the composition agreement becomes binding on all creditors, whereby secured claims are only subject to the composition agreement to the extent that the collateral proves to be insufficient to cover the secured claims.

Foreign bankruptcy decrees issued in the country of a debtor's domicile may be recognized in Switzerland only, provided that (i) the bankruptcy decree is enforceable in the country where it was issued, (ii) its recognition is, inter alia, not against Swiss public policy, and (iii) the country which issued the bankruptcy decree grants reciprocity to Switzerland.

The Swiss collateral is subject to hardening periods and the Swiss guarantees are subject to fraudulent transfer.

Certain arrangements or dispositions that are made during a certain period (the "suspect period") preceding the declaration of bankruptcy or the grant of a moratorium in connection with a composition proceeding may be challenged by the receiver in bankruptcy (*Konkursverwaltung*) and certain creditors under the applicable rules of avoidance. The avoidance may relate to (i) gifts and gratuitous transactions made in the suspect period of 12 months prior to being declared bankrupt or the grant of a moratorium, (ii) certain acts of a debtor in the suspect period of 12 months prior to being declared bankrupt or the grant of a moratorium if the debtor at that time was over-indebted, and (iii) dispositions made by the debtor within a suspect period of five years prior to being declared bankrupt or the grant of a moratorium with the intent to disadvantage its creditors or to prefer certain of its creditors to the detriment of other creditors. The transactions potentially subject to avoidance also include those contemplated by a Swiss entity's Senior Secured Notes Guarantee and Senior Notes Guarantees or the granting of security interests under the Security Documents by a Swiss entity. If they are challenged successfully, the rights granted under the Senior Secured Notes Guarantee or in connection with security interests under the Security Documents may become unenforceable and any amounts received must be refunded to the insolvent estate.

We may not have the ability to raise the funds necessary to finance an offer to repurchase the Senior Secured Notes and the Senior Notes upon the occurrence of certain events constituting a change of control as required by each Indenture and the change of control provision contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events.

Upon the occurrence of certain events constituting a "change of control," the Senior Secured Notes Issuer would be required to offer to repurchase all outstanding Senior Secured Notes and the Senior Notes Issuer will be required to offer to repurchase all outstanding Senior Notes, in each case, at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds available at such time, or that we would have sufficient funds to provide to the relevant Issuer to pay the purchase price of the outstanding Senior Secured Notes or the Senior Notes or that the restrictions in our Senior Facilities, the Senior Secured Notes Indenture, the Senior Notes Indenture, the Intercreditor Agreement or our other then existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, or acceleration of, our Senior Facilities and other indebtedness. The repurchase of the Senior Secured Notes and the Senior Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. The ability of either the Senior Notes Issuer and the Senior Secured Notes Issuer to receive cash from their respective subsidiaries to allow them to pay cash to the holders of the Senior Notes or the Senior Secured Notes, respectively, following the occurrence of a change of control, may be limited by our then existing financial resources. In addition, under the terms of the Senior Facilities Agreement, under certain circumstances, we are required to repay an equal amount of debt under our Senior Facilities if we repay all or a portion of the principal under the Notes. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when we are prohibited from providing funds to any of the Issuers for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuers will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Senior Secured Notes and the Senior Notes upon a change of control. We cannot assure you that we would be able to obtain such financing.

Any failure by the relevant Issuer to offer to purchase the Senior Secured Notes and the Senior Notes would constitute a default under each of the Senior Secured Notes Indenture and the Senior Notes Indenture, respectively, which would, in turn, constitute a default under the Senior Facilities and certain other indebtedness. See "*Description of the Senior Secured Notes—Change of Control*" and "*Description of the Senior Notes—Change of Control*."

The change of control provision contained in the Indentures 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 relevant Indenture. Except as described under “*Description of the Senior Secured Notes—Change of Control*” and “*Description of the Senior Notes—Change of Control*,” each Indenture will not contain provisions that would require the relevant Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

In addition, the occurrence of certain events that might otherwise constitute a change of control will be deemed not to be a change of control if at the time our consolidated leverage ratio is less than certain specified levels. See “*Description of the Senior Secured Notes—Change of Control*,” “*Description of the Senior Notes—Change of Control*,” “*Description of the Senior Secured Notes—Certain Definitions—Specified Change of Control Event*,” and “*Description of the Senior Notes—Certain Definitions—Specified Change of Control Event*.”

The definition of “Change of Control” in each Indenture will include a disposition of all or substantially all of the assets of the relevant Issuer 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 relevant Issuer’s assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuers are required to make an offer to repurchase the relevant Notes.

There may not be an active trading market for the Notes, in which case your ability to sell the Notes may 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 for 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. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. 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 the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for either the Senior Secured Notes or the Senior Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application has been or will be made for each of the Fixed Rate Senior Secured Notes, the Floating Rate Senior Secured Notes and the Senior Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF, we cannot assure you that either the Fixed Rate Senior Secured Notes, the Floating Rate Senior Secured Notes or the Senior Notes will become or remain listed. Although no assurance is made as to the liquidity of either the Fixed Rate Senior Secured Notes, the Floating Rate Senior Secured Notes or the Senior Notes as a result of the admission to trading on the Euro MTF, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the relevant Notes, as applicable, from the Official List of the Luxembourg Stock Exchange may have a material effect on a holder’s ability to resell the relevant Notes, as applicable, in the secondary market.

In addition, each Indenture will allow us to issue additional notes of such series in the future which could adversely impact the liquidity of the relevant Notes.

Investors may face foreign exchange risks by investing in the Notes.

The Fixed Rate Senior Secured Notes will be denominated and payable in Swiss francs and each of the Floating Rate Senior Secured Notes and the Senior Notes will be denominated and payable in euros. If investors

measure their investment returns by reference to a currency other than euros or Swiss francs, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro or the Swiss franc relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the euro or the Swiss franc against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the relevant Notes below their stated coupon rates and could result in a loss to investors when the return on such Notes is translated into the currency by reference to which the investors measure the return on their investments. Investments in the Notes denominated in a currency other than U.S. dollars by U.S. holders (as defined in “*Tax—Certain U.S. Federal Income Tax Considerations*”) may also have important tax consequences as a result of foreign exchange gains or losses, if any. See “*Tax—Certain U.S. Federal Income Tax Considerations*.”

You may not be able to recover in civil proceedings for U.S. securities law violations.

Each of the Issuers and the Guarantors and their respective subsidiaries are organized outside the United States, and our business is conducted entirely outside the United States. The directors and executive officers of the Issuers and the Guarantors are non-residents of the United States. Although we and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on these directors and executive officers. In addition, as all of the assets of the Issuers and the Guarantors and their respective subsidiaries and those of their directors and executive officers are located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuers and the Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States.

The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with Switzerland or Luxembourg. There is, therefore, doubt as to the enforceability in Switzerland or Luxembourg of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in Switzerland or Luxembourg. In addition, the enforcement in Switzerland or Luxembourg of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a Swiss or Luxembourg court would have the requisite power or authority to grant remedies sought in an original action brought in Switzerland or Luxembourg on the basis of U.S. securities laws violations. See “*Enforceability of Judgments*.”

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the relevant Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financing and could adversely affect the value and trading of such Notes.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes and the Notes Guarantees have not been registered under, and we are not obliged to register the Notes or the Notes Guarantees under, the U.S. Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. See “*Notice to Investors*.” We have not agreed to or otherwise undertaken to register any of the Senior Secured Notes, the Senior Notes or the Notes Guarantees, and do not have any intention to do so.

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.

Unless and until Notes in definitive registered form, or definitive registered notes are issued in exchange for book-entry interests (which may occur only in very limited circumstances), owners of book-entry interests will

not be considered owners or holders of Notes. The common depository (or its nominee) for Euroclear and Clearstream will be the sole registered holder of the global notes. Payments of principal, interest and other amounts owing on or in respect of the relevant global notes representing the Notes will be made to Deutsche Bank AG, London Branch, as principal 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 depository 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 in the relevant Notes, you must rely on the procedures of Euroclear and Clearstream and if you are not a participant in Euroclear and/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 relevant Notes under the relevant Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have any direct rights to act upon any 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 and Clearstream or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters or on a timely basis.

Similarly, upon the occurrence of an event of default under an Indenture, unless and until the relevant 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. We cannot assure you that the procedures to be implemented through Euroclear and Clearstream will be adequate to ensure the timely exercise of rights under the Notes.

Risks Related to our Ownership

The interests of our principal shareholders may conflict with your interests.

The interests of our principal shareholders, in certain circumstances, may conflict with your interests as holders of the Notes. Investment funds or limited partnerships associated with or designated by Apax will control us following consummation of the Acquisition. See "*Principal Shareholder*." Apax will be able to appoint a majority of our Board of Directors and to determine our corporate strategy, management and policies. In addition, Apax will have control over our decisions to enter into any corporate transaction and will have the ability to prevent any transaction that requires the approval of shareholders regardless of whether holders of the Notes believe that any such transactions are in their own best interests. For example, the shareholders could vote to cause us to incur additional indebtedness, to sell certain material assets or make dividends, in each case, so long as the Senior Secured Notes Indenture, the Senior Notes Indenture, the Senior Facilities Agreement and the Intercreditor Agreement so permit. The incurrence of additional indebtedness would increase our debt service obligations and the sale of certain assets could reduce our ability to generate revenues, each of which could adversely affect holders of the Notes.

Additionally, Apax is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Apax may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as investment funds associated with or designated by Apax collectively continue to own a significant amount of our capital stock, even if such amount is less than 50%, Apax will continue to be able to strongly influence or effectively control our decisions. The interests of Apax may not coincide with your interests.

Risks Related to the Acquisition

The Acquisition is subject to significant uncertainties and risks.

On December 23, 2011, the Senior Secured Notes Issuer entered into the Acquisition Agreement with the Seller and France Telecom to acquire all of the issued and outstanding capital stock of Orange. The consummation of the Acquisition pursuant to the Acquisition Agreement is subject to certain conditions being satisfied or waived. In particular, the Acquisition is subject to Orange having a minimum threshold level of mobile frequencies, which it believes will be sufficient to execute its strategy, and is further subject to regulatory clearance, including from ComCom, OFCOM, CompCo and regulatory authorities in Liechtenstein and Austria.

The Senior Secured Notes Issuer may not consummate the Acquisition until certain regulatory approvals are obtained, which may take in excess of three months and, in exceptional circumstances, even longer. In addition, most of these regulatory bodies have the authority to prevent the Acquisition from taking place. Alternatively, they may permit the Acquisition but demand that we implement remedies. Although we will argue that the Senior Secured Notes Issuer should be allowed to consummate the Acquisition without the imposition of remedies, we cannot assure you that it will be permitted to undertake this transaction in a timely fashion, without remedies, or at all. Any such remedies may make the Acquisition less attractive.

Pursuant to the Acquisition Agreement, the Senior Secured Notes Issuer will be obligated to pay up to CHF 270 million to the Seller in the event of a combination with Sunrise Mobile Communications AG or its subsidiaries within five years of the Completion Date. In addition, if such a combination or certain other strategic cooperation transactions occur within the same period, and thereafter Apax receives at least 2.5 times (on a cash basis) its original investment in the Group, the Senior Secured Notes Issuer will be obligated to make an “earn out” payment to the Seller in an amount equal to a percentage of Apax’s cash return on its investment in excess of the 2.5x threshold up to a cap.

Completion of the Acquisition is one of the conditions to release of the proceeds from the Offering of the Notes from escrow. If the Acquisition is not consummated for any reason on or prior to May 10, 2012 and, as a result, the proceeds from the sale of the Notes to be held in escrow are not released, each of the Issuers will be required to redeem the Notes pursuant to the terms of the special mandatory redemption provided under the relevant Indenture, and you may not obtain the investment return you expect on the Notes.

The Issuers do not currently control Orange and its subsidiaries and will not control Orange and its subsidiaries until completion of the Acquisition.

Orange and its subsidiaries are currently not controlled by us. We will not obtain control until completion of the Acquisition. We cannot assure you that during the interim period the Group’s business will be operated in the same way that we would operate it. The information contained in this Prospectus has been derived from public sources and, in the case of historical information relating to Orange and its subsidiaries, has been provided to us by Orange and its subsidiaries, and we have relied on such information supplied to us in its preparation. Further, the Transactions themselves have required, and will likely continue to require, substantial amounts of Orange management’s time and focus, which could adversely affect their ability to operate the business.

In addition, prior to the Completion Date, neither Orange nor any of its subsidiaries will be subject to the covenants described in “*Description of the Senior Secured Notes*” and “*Description of the Senior Notes*” to be included in the respective Indenture. As such, we cannot assure you that, prior to such date, Orange or any of its subsidiaries will not take an action that would otherwise have been prohibited by the Senior Secured Notes Indenture and/or the Senior Notes Indenture had those covenants been applicable.

If the conditions to the escrow are not satisfied, the Issuers will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes.

The gross proceeds from the Offerings less certain deductions with respect to fees and expenses will be held in escrow accounts pending the satisfaction of certain conditions, some of which are outside of our control. If the Acquisition does not occur on or prior to May 10, 2012 or if certain other events that trigger escrow termination occur, the Notes will be subject to a special mandatory redemption as described in “*Description of the Senior Secured Notes—Escrow of Proceeds; Special Mandatory Redemption*” and “*Description of the Senior Notes—Escrow of Proceeds; Special Mandatory Redemption*” and you may not obtain the return you expect to receive on the Notes.

The escrow funds will be initially limited to the gross proceeds from the Offerings less certain deductions with respect to fees and expenses and will not be sufficient to pay the special mandatory redemption price, which is equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the relevant Issue Date for the Notes to the date of special mandatory redemption. Apax will commit to fund any amounts deducted from the gross amount with respect to fees and expenses, accrued and unpaid interest and additional amounts, if any, owing to the holders of the relevant Notes.

If we do not satisfy the conditions precedent for utilization of the Senior Facilities, we may be required to seek alternative sources of financing for the Acquisition.

While we expect to enter into the Senior Facilities Agreement and material documents related thereto (including the Intercreditor Agreement) on or about January 31, 2012, there can be no assurance that we will satisfy the conditions precedent to utilization of the credit facilities made available under the Senior Facilities Agreement. If we do not meet the conditions precedent to utilization of the Senior Facilities, we will need to seek

alternative sources of financing to finance the Acquisition. We may be unable to find such alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. Any alternative financing could be at higher interest rates and may require us to comply with more onerous covenants, restricting our business operations. This could make it difficult for us to implement our strategy and repay the Notes.

Amendments made to the Acquisition Agreement may have adverse consequences for holders of the Notes.

The Acquisition is expected to be consummated in accordance with the terms of the Acquisition Agreement. However, the Acquisition Agreement may be amended and the closing conditions may be waived at any time by the parties thereto. The Senior Secured Notes Escrow Agreement and the Senior Notes Escrow Agreement each include as a condition for release a certification that no material term or condition of the Acquisition Agreement has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of the holders of the relevant Notes, without the consent of the holders of a majority in aggregate principal amount of the relevant Notes. However, such consent of the holders of the relevant Notes is not required if the Majority Lenders, as defined in, and pursuant to, the Senior Facilities Agreement have consented to such amendment or waiver, or if the Senior Facilities are drawn without any such consent being required. Further, any amendments made to the Acquisition Agreement may make the Acquisition less attractive. Any amendment made to the Acquisition Agreement, or waiver of the conditions to the closing of the Acquisition, may be adverse to the interests of the holders of the Notes, which, in turn, may have an adverse effect on the return you expect to receive on the Notes.

Risks Related to Our Separation from France Telecom

Our ability to operate our business effectively may suffer if we do not, quickly and cost-effectively, establish our own financial, administrative and other support functions, as well as our own service platform, in order to operate as a fully stand-alone company.

Prior to our separation from France Telecom, we have not operated as a fully stand-alone company. Historically, we have relied on certain financial, administrative and other resources of France Telecom to operate our business and to provide services to our customers. In conjunction with our separation from France Telecom, we will need to create our own fully independent financial, administrative and other support systems or contract with third parties to replace France Telecom's systems and services. We have entered into the Transitional Agreement with France Telecom identifying, among the products and services provided by the FT Group and FT-related procurement entities to the Group prior to the Completion Date, which ones will be maintained, modified or terminated after the closing of the Acquisition, and setting forth the conditions under which certain products and services will continue to be provided after the Completion Date. See "*The Acquisition*." These services may not be sufficient to meet our needs, and, after our arrangements with France Telecom expire or terminate, we may not be able to replace these services at all or obtain these services at prices or on terms as favourable as we currently have. Any failure or significant downtime in our own financial or administrative systems, in France Telecom's financial or administrative systems or in the other services provided to us by France Telecom during the transition period could impact our results or prevent us from paying our suppliers or employees, performing other administrative services on a timely basis or providing an adequate level of service to our customers. Any such event could also impair our ability to meet our obligations and could materially harm our business, financial condition and results of operations.

We may not be successful in establishing a new brand identity.

Historically, we have marketed our products and services through the *Orange* brand. Based on the new brand license agreement with Orange Brand Services Limited that will become effective on the Completion Date, we will have a license to the *Orange* brand for a period of three years, which will subject to certain conditions being satisfied, renew automatically for an additional two-year period. We currently intend to continue to use the *Orange* brand and to carry out a rebranding process within approximately eighteen months of the Completion Date. The value of the *Orange* brand name has been recognized by our suppliers, customers and potential employees. We will need to expend significant time, effort and resources to establish our new brand name in the marketplace, which we currently estimate to be on the order of a non-recurring cost of CHF 40 million, in addition to our regular marketing and advertising expenses. We cannot guarantee that this effort will ultimately be successful. If our efforts to establish a new brand identity are unsuccessful, our business, financial condition and results of operations could be materially adversely affected.

We may not continue to benefit from contracts that historically have formed part of our business.

If we are unable to continue to be a party or benefit from a material contract that historically has formed part of our business, our business, financial conditions and results of operations may be adversely affected. Historically, we have benefited from agreements that the FT Group has entered with third parties or FT-related procurement entities, including with respect to equipment sourcing, network infrastructure and interconnection and roaming tariffs. We also have entered into commercial agreements directly with third parties, such as our Network Outsourcing Agreement with Alcatel-Lucent, our national and international interconnection agreements, our agreements with MVNOs, wholesale resellers, wholesale partners and with distributors. Under the Transitional Agreement we will continue to obtain products and services from the FT Group on substantially the same basis and at prices substantially equal to prices paid by the Group in the past (or at market prices to the extent such services were provided for free and without a written contract). Currently, we also benefit from agreements that the FT Group has entered into with third parties. The Transitional Agreement requires FT to reasonably cooperate with us to negotiate with the relevant third parties in order for us to continue to be covered by certain of those agreements for a specified period of time following the Completion Date. There is no assurance that we will continue to benefit from such agreements or successfully negotiate replacement stand-alone contracts before the expiration of the transitional period or at all. As part of the separation, France Telecom has also agreed to enter into an agreement with us relating to roaming, effective on the Completion Date, which sets forth general principles governing inter-operator tariffs between the FT Group and us, and clarifies under which circumstances we may be included in agreements between the FT Group and third-party operators. The agreement provides for certain guaranteed volumes of roaming traffic from the FT Group to our network, in exchange for agreed volumes that we will send to the FT Group, based on a decreasing scale of mutual commitments through 2015. With respect to contracts with third-party operators, the agreement provides that we will retain the benefit of France Telecom's third-party roaming agreements in relation to inter-operator tariffs in 2012. For the years 2013 to 2015, France Telecom has agreed to use its best efforts to negotiate our inclusion in agreements with certain third-party telecommunication services providers, but there is no assurance that such third-party providers will agree to enter into direct contracts with us on terms acceptable to us or at all. If we lose the benefit of a material contract with third-party telecommunications services providers, our business, financial condition and results of operations could be materially adversely affected.

The Acquisition Agreement contemplates that the terms of settlement for inter-operator tariffs between the FT Group and us may shorten after 2013 from the present settlement cycle of 365 days. In addition, we anticipate that the amount of inter-operator tariff discounts under the roaming agreement will decrease over time in line with the decrease in committed roaming traffic under the agreement. There is a risk that these items will materially and adversely affect our net working capital requirements in 2014, although we are unable to quantify that risk at present.

Following the Separation, we may experience increased costs resulting from a decrease in the purchasing power we had during the period when we were owned by France Telecom.

We have been able to take advantage of France Telecom's economies of scale and purchasing power in purchasing equipment, technology and corporate services, including insurance, employee benefit support and audit services. Following our separation from France Telecom, we will be a smaller and less diversified company than France Telecom. As such, we will not have access to financial and other resources comparable to those of France Telecom prior to the separation and we may not be able to enter into other arrangements to increase our purchasing power. As a separate, stand-alone company, we may be unable to obtain equipment, technology and corporate services at prices and on terms as favorable as those available to us prior to the separation, which could have a material adverse effect on our business, financial condition and results of operations.

Our historical results may not be representative of our future results as a separate, stand-alone company.

Until the Acquisition, we were a wholly-owned subsidiary of the FT Group. Accordingly, we have no independent operating history to use as a basis for evaluating our financial condition, results of operations and expected future performance. We cannot assure you that the risks and challenges we face as an independent company, including planning or anticipating operating expenses, servicing our indebtedness and obtaining financing on a stand-alone basis, will not have an adverse effect on our business, our results of operations and financial condition. In particular, our consolidated financial statements do not reflect the costs to us of borrowing funds as a separate entity. Accordingly, our consolidated financial statements and the other historical financial information included in this Prospectus do not necessarily indicate what our results of operations, financial condition, cash flows or costs and expenses will be in the future.

THE ACQUISITION

The Acquisition Agreement

On December 23, 2011, the Senior Secured Notes Issuer entered into a share purchase agreement (the “Acquisition Agreement”) with the Seller and France Telecom pursuant to which the Senior Secured Notes Issuer agreed to acquire all of the shares of the Company. According to the terms of the Acquisition Agreement, the provisional purchase price for the shares will be determined prior to the Completion Date based on several parameters, including the enterprise value, the estimated amount of net financial debt and net working capital at the Completion Date, the amount of pension liabilities and a specified amount in respect of any price to be paid for radio frequencies at the upcoming Swiss spectrum auction. Within 60 business days after the Completion Date, the Senior Secured Notes Issuer will deliver a statement setting forth its determination of the net working capital and net financial debt as of the Completion Date, which may, after the Seller’s review, result in a purchase price adjustment.

The Acquisition Agreement contains a condition precedent, which may be waived by the Senior Secured Notes Issuer, or by the Seller in certain circumstances, to the completion of the Acquisition if the Group is not awarded the minimum amounts and combinations of radio frequencies specified in the Acquisition Agreement in the spectrum auction. The Group believes these minimum amounts and combinations will be sufficient for it to execute its strategy. The consummation of the Acquisition is also subject to regulatory clearance, from ComCom, OFCOM, CompCo and regulatory authorities in Liechtenstein and Austria. In the event that the Acquisition has not been consummated prior to April 23, 2012, either the Senior Secured Notes Issuer or the Seller will be entitled to terminate the Acquisition Agreement, subject to certain exceptions. If the Acquisition Agreement is terminated prior to May 10, 2012, the proceeds from the sale of the Notes to be held in escrow will not be released from escrow and each Issuer will be required to redeem the Notes pursuant to the terms of the special mandatory redemption provided under the relevant Indenture.

The Transitional Agreement

On December 23, 2011, the Senior Secured Notes Issuer and the Company entered into a transitional agreement (the “Transitional Agreement”) with France Telecom identifying, among the products and services provided by the FT Group or by third parties under agreements with FT Group or FT-related procurement entities to the Group prior to the Completion Date, which ones will be maintained, modified or terminated after the Completion Date, and setting forth the conditions under which certain products and services of FT and third-party providers may continue to be provided after the Completion Date.

The Transitional Agreement acts as an umbrella agreement and lays down general principles governing the provision of transitional services for a maximum transition period of 24 months from the Completion Date. Under that agreement, we will be able to obtain products and services from the FT Group on substantially the same basis and at prices substantially equal to prices paid by the Group in the past (or at market prices to the extent such services were provided for free and without a written contract). Currently, we also benefit from agreements that the FT Group has entered into with third parties. The Transitional Agreement requires FT to reasonably cooperate with us to negotiate with the relevant third parties in order for us to continue to be covered by certain of those agreements for a specified period of time following the Completion Date.

After the expiration of the arrangements contemplated by the Transitional Agreement, the Group may not be able to replace the relevant services in a timely manner or on terms and conditions, including cost provisions, as favorable as those received from the FT Group. No later than two months prior to the termination date applicable to a particular transition service, a migration plan will be developed to ensure an orderly separation from the FT Group.

Orange Brand Licensing Agreement

On December 23, 2011, in connection with the entry into the Acquisition Agreement, we entered into a brand license agreement with Orange Brand Services Limited, which will become effective on the Completion Date. Under the terms of that agreement, we will have a license to the *Orange* brand for a period of three years, which will subject to certain conditions being satisfied, renew automatically for an additional two year period. We currently intend to continue to use the *Orange* brand and to carry out a rebranding process within approximately eighteen months of the Completion Date. Under the brand license we are generally obligated to pay France Telecom royalties on a quarterly basis, but have the right until December 31, 2014 to defer up to CHF 31.0 million of brand license fees we owe under the brand license agreement. Estimated payments due to France Telecom under the brand license agreement for eighteen months have been pre-funded as part of the

financing of the Acquisition. See “*Summary—Sources and Uses for the Transactions.*” As our rights under the brand license agreement may continue for up to five years we may decide to change the timing or scope of our rebranding plans in the future. We currently estimate that non-recurring costs relating to rebranding will be on the order of CHF 40 million (all or part of which we may capitalize), in addition to our ongoing marketing and advertising costs. The brand license agreement may be terminated by either party in certain circumstances, including if we or France Telecom commit a material breach of the agreement, if we do not satisfy certain minimum investment requirements in the *Orange* brand, if we undergo certain change of control events or if a competitor purchases shares in us.

International Roaming Agreement

On December 23, 2011, we entered into an agreement relating to roaming with France Telecom, effective on the Completion Date. The agreement covers the period from 2012 through 2015, sets forth general principles governing inter-operator tariffs between the FT Group and us and clarifies the circumstances under which we may benefit from agreements between the FT Group and third-party operators. The agreement provides for certain guaranteed volumes of roaming traffic from the FT Group to our network in exchange for agreed volumes that we will send to the FT Group, based on a decreasing scale of mutual commitments through 2015. With respect to contracts with third-party operators, the agreement provides that we will retain the benefit of France Telecom’s third-party roaming agreements in 2012. For 2013 to 2015, France Telecom has agreed to use its best efforts in negotiating to include us in agreements with certain third-party telecommunication services providers. In addition, the Acquisition Agreement contemplates that the terms of settlement for inter-operator tariffs between the FT Group and us may shorten after 2013 from the present settlement cycle of 365 days. The roaming agreement may be terminated by either party in certain circumstances, including if we or France Telecom commit a material breach of the agreement, if we undergo certain change of control events or if a competitor purchases shares in us.

Completion Date

The Acquisition closed on February 29, 2012.

USE OF PROCEEDS

The net proceeds from the sale of (i) the Fixed Rate Senior Secured Notes offered hereby will be CHF 439,875,000, (ii) the Floating Rate Senior Secured Notes offered hereby will be €145,125,000 (equivalent to CHF 175,601,250) and (iii) the Senior Notes offered hereby will be €219,375,000 (equivalent to CHF 265,443,750). Pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the Offering of the Fixed Rate Senior Secured Notes less certain deductions with respect to fees and expenses into a segregated Fixed Rate Senior Secured Notes escrow account, the gross proceeds from the Offering of the Floating Rate Senior Secured Notes less certain deductions with respect to fees and expenses into a segregated Floating Rate Senior Secured Notes escrow account and the gross proceeds from the Offering of the Senior Notes less certain deductions with respect to fees and expenses into a segregated Senior Notes escrow account, in each case for the benefit of the holders of the relevant Notes.

To finance the Acquisition, Apax will make an equity contribution in the amount of CHF 763 million to the Senior Notes Issuer ("Equity Contribution"). In addition, in connection with the Acquisition, the Senior Secured Notes Issuer and the Senior Notes Issuer have entered into a Senior Facilities Agreement providing for a Term Loan A Facility in the amount of CHF 225 million, the Term Loan B1 and B2 Facilities in the amount of CHF 218 million and a Revolving Credit Facility in the amount of CHF 100 million. Following the completion of the Acquisition, the Company and certain of its subsidiaries will accede to the Senior Facilities Agreement.

The Issuers intend to use the net proceeds from the Offerings (equal to the gross proceeds from the Offerings after deducting the Initial Purchasers' commissions and certain estimated expenses to be incurred in connection with the Offerings, including legal, accounting and other professional fees), together with the proceeds from the Equity Contribution and the borrowings under the Term Loan A Facility and the Term Loan B1 and B2 Facilities to (i) fund the consideration payable for the capital stock of Orange purchased in the Acquisition, including any adjustments or interest payments under the Acquisition Agreement, (ii) fund the repayment of the remainder of the FT Intercompany Loans outstanding at Completion Date as well as the repayment of intra-group payables, (iii) fund the settlement of any actual or estimated potential liabilities of the Company, including in respect of the price payable for any radio frequencies awarded to it as a result of the Swiss spectrum auction, (iv) prefund CHF 64.0 million, to be left on the balance sheet, for future payments of non-recurring expenses related to the separation with France Telecom, including brand license fees, and (v) pay the fees and expenses in connection with the Acquisition and the financing, including estimated fees and expenses to be incurred in connection with this offering. See "*Summary—The Financing*." It is currently expected that certain facilities under the Senior Facilities Agreement may be drawn after the Completion Date in connection with the settlement of any actual or estimated potential liabilities of the Company, including in respect of the price payable for any radio frequencies awarded to it as a result of the Swiss spectrum auction. It is currently expected that the Revolving Credit Facility will not be drawn as of the Completion Date.

CAPITALIZATION

The following table sets forth the consolidated cash and cash equivalents and the capitalization of:

- the Company, on a historical basis, derived from the Company's unaudited condensed consolidated interim financial statements as of September 30, 2011, which were prepared in accordance with IFRS and are included elsewhere in this Prospectus; and
- the Senior Notes Issuer and Senior Secured Notes Issuer, in each case, adjusted to give effect to the Transactions as described in "Use of Proceeds" as if they had occurred on September 30, 2011.

You should read this table in conjunction with "The Acquisition," "Use of Proceeds," "Summary—Recent Developments," "Management Discussion and Analysis of Financial Condition and Results of Operations," "Description of Certain Financing Arrangements," "Description of Senior Secured Notes," "Description of Senior Notes" and the consolidated financial statements and the accompanying notes of the Company appearing elsewhere in this Prospectus. Except as set forth below, there have been no other material changes to our capitalization since September 30, 2011.

As of September 30, 2011				
	Historical	Adjustments	Senior Notes Issuer, As Adjusted	Senior Secured Notes Issuer, As Adjusted
	(Unaudited) (CHF in thousands)			
Cash and cash equivalents⁽¹⁾	372,466	(308,466)	64,000	64,000
Capital leases	74	—	74	74
Term Loan A Facility ⁽²⁾	—	225,000	225,000	225,000
Term Loan B1 and B2 Facilities ⁽²⁾	—	218,000	218,000	218,000
Revolving Credit Facility	—	—	—	—
Fixed Rate Senior Secured Notes offered hereby	—	450,000	450,000	450,000
Floating Rate Senior Secured Notes offered hereby	—	182,000	182,000	182,000
Total senior secured debt	74	1,075,000	1,075,074	1,075,074
Senior Notes offered hereby	—	272,000	272,000	—
Total debt	74	1,347,000	1,347,074	1,075,074
Other financial liabilities				
Derivative liabilities ⁽³⁾	2,844	—	2,844	2,844
Shareholder loan ⁽⁴⁾	919,778	(919,778)	—	—
Capitalized transaction costs ⁽⁵⁾	—	(61,800)	(61,800)	(61,800)
Total financial liabilities	922,696	365,422	1,288,118	1,016,018
Total equity⁽⁶⁾	210,311	510,489	720,800	720,800
Capitalization	1,133,007	875,911	2,008,918	1,936,818

(1) The amount of CHF 372.5 million of cash and cash equivalents as of September 30, 2011 on an actual basis will be used in its entirety on or prior the Completion Date to repay a portion the FT Intercompany Loans. The amount of CHF 64.0 million of cash and cash equivalents on an as adjusted basis as of September 30, 2011 represents cash on the balance sheet for the purpose of prefunding future payments of non-recurring expenses related to the separation with France Telecom, including brand license fees.

(2) The Senior Secured Notes Issuer entered into the Senior Facilities Agreement dated January 30, 2012, as amended on February 3, 2012, which provides for the Term Loan A Facility of a maximum amount of CHF 225.0 million, the Term Loan B1 Facility of a maximum amount of CHF 275.0 million, the Term Loan B2 Facility of a maximum amount of CHF 125.0 million, the Capex/Acquisition Facility and the Revolving Credit Facility. See "Description of Certain Financing Arrangements." A portion of the Term Loan B1 Facility and the Term Loan B2 Facility, as well as the entire Capex/Acquisition Facility will be cancelled on or prior to the Completion Date. It is currently expected that certain facilities under the Senior Facilities Agreement will remain undrawn as of the Completion Date, but may be drawn after the Completion Date in connection with the settlement of any actual or estimated potential liabilities of the Company, including in respect of the price payable for any radio frequencies awarded to it as a result of the Swiss spectrum auction. These amounts are shown as fully drawn in the "As Adjusted" column in the table above. It is currently expected that the Revolving Credit Facility will not be drawn as of the Completion Date.

(3) Represents liabilities related to hedging operations incurred in the normal course of business.

(4) Represents amounts due under the FT Intercompany Loans of CHF 917.0 million principal amount, which includes CHF 2.8 million accrued interest that will be refinanced in full at the Completion Date.

(5) Represents the portion of the estimated transaction costs relating to debt issuance and hedging that will be capitalized.

(6) Represents CHF 763.0 million of Equity Contribution from Olympus Midco to the Senior Notes Issuer, less CHF 42.2 million of the non-capitalized portion of the transaction costs.

SELECTED HISTORICAL FINANCIAL INFORMATION

The tables below set forth the following selected consolidated financial information:

- selected consolidated income statement, statement of financial position and cash flow information of the Company as of and for the years ending December 31, 2009 and 2010; and
- selected unaudited condensed consolidated income statement, statement of financial position and cash flow information of the Company as of and for the nine month periods ended September 30, 2010 and 2011.

The selected consolidated income statement, balance sheet and cash flow information for the Company set forth below as of and for the years ended December 31, 2009 and 2010 was derived from the audited consolidated financial statements of the Company, prepared in accordance with IFRS and included elsewhere in this Prospectus. The selected unaudited condensed consolidated income statement, balance sheet and cash flow information set forth below for the Company as of and for the nine months ended September 30, 2010 and 2011 was derived from the unaudited condensed consolidated interim financial statements of the Company, prepared in accordance with IFRS and included elsewhere in this Prospectus.

The financial information for the nine months ended September 30, 2011 is not necessarily indicative of the results that may be expected for the year ended December 31, 2011 and should not be used as the basis for or prediction of an annualized calculation. The historical results of the Company and its subsidiaries may not be indicative of our future results following consummation of the Acquisition.

The Company's consolidated historical financial statements and the selected consolidated historical financial information presented below were prepared on the basis of IFRS. You should read this section together with the information contained in "Use of Proceeds," "Capitalization," "Summary Historical Financial Information and Other Data," "Management Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements included elsewhere in this Prospectus.

Selected Consolidated Income Statement Information

	Year ended December 31,		Nine months ended September 30,	
	2009	2010	2010	2011
	(Unaudited)			
	(CHF in thousands)			
Revenues	1,295,741	1,295,453	975,806	923,207
Access back bone and interconnection	(239,582)	(239,586)	(183,922)	(172,331)
Commercial expenses and cost of equipment sold	(359,614)	(370,586)	(261,407)	(250,040)
Network, IT, property expenses and other purchases	(193,519)	(197,300)	(150,879)	(128,538)
Labor expenses	(140,739)	(137,572)	(102,768)	(107,032)
Other operating expenses	(28,362)	(18,510)	(15,752)	(16,533)
Other operating income	18,913	19,664	14,744	15,328
Restructuring and transaction costs	(1,291)	(6,944)	(8,837)	(1,238)
Corporate and brand fees	(33,326)	(31,060)	(24,707)	(22,435)
Depreciation, amortization and impairment	(215,313)	(185,244)	(141,568)	(145,362)
Operating income	102,908	128,316	100,711	95,026
Financial expenses	(23,003)	(20,197)	(15,599)	(14,507)
Financial income	3,949	4,016	2,395	1,380
Net financial costs	(19,054)	(16,181)	(13,204)	(13,127)
Net income before tax	83,854	112,135	87,507	81,899
Income tax	(2,602)	(16,384)	(7,094)	(13)
Net income	81,252	95,751	80,413	81,886
Net income attributable to equity owners	81,252	95,751	80,413	81,886

Selected Statement of Financial Position Information

	For the year ended December 31,		For the nine months ended September 30,
	2009	2010	2011
			(Unaudited)
	(CHF in thousands)		
Total non-current assets	1,066,252	1,023,040	990,408
Total current assets	771,474	572,523	727,897
Total assets	1,837,726	1,595,563	1,718,305
Total non-current liabilities	(963,336)	(987,470)	(1,041,815)
Total current liabilities	(511,079)	(467,183)	(466,178)
Total liabilities	(1,474,415)	(1,454,653)	(1,507,993)
Total equity	363,311	140,910	210,311
Total equity and Liabilities	1,837,726	1,595,563	1,718,305

Selected Consolidated Cash Flow Information

	For the year ended December 31,		For the nine months ended September 30,	
	2009	2010	2010	2011
	(Unaudited)			
	(CHF in thousands)			
Net cash provided by operating activities	333,314	327,452	277,060	194,660
Net cash used in investing activities	(135,352)	(158,238)	(111,767)	(95,577)
Net cash used in financing activities	(388)	(300,232)	(179)	(68)

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the results of operations and financial condition of the Company based on the audited consolidated financial statements of the Company and its subsidiaries as of and for the years ended December 31, 2009 and 2010 and the unaudited condensed consolidated financial statements of the Company and its subsidiaries as of and for the nine months ended September 30, 2010 and 2011, in each case, prepared in accordance with IFRS.

The unaudited interim financial statements for the periods indicated below include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim period. The interim results are not necessarily indicative of the results that may be expected for any other period or for the full year.

Except as the context otherwise indicates, when discussing historical results of operations in this “Management Discussion and Analysis of Financial Condition and Results of Operations,” the “Company,” “we,” “our” and other similar terms are generally used to refer to the business of the Company and its subsidiaries.

You should read this discussion in conjunction with the consolidated financial statements of the Company and the accompanying notes included elsewhere in the Prospectus. A summary of the critical accounting estimates that have been applied to the Company’s consolidated financial statements is set forth below in “—Critical Accounting Estimates.” You should also review the information in the section “—Presentation of Financial Information.” This discussion also includes forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of risks and uncertainties facing us as a result of various factors, see “Risk Factors.”

Presentation of Financial Information

The Issuers were formed on December 23, 2011 for the purposes of facilitating the Transactions and issuing the Notes offered hereby. Neither of them has any material assets or liabilities or has engaged in any activities other than those related to its formation in preparation for the Transactions, including the Offerings. The Senior Notes Issuer is a holding company, which indirectly holds all the outstanding shares of the Senior Secured Notes Issuer. The Senior Notes Issuer is a holding company, which, from the Completion Date, will indirectly hold all the outstanding shares of the Company.

Because of the limited historical financial information available for the Issuers, unless otherwise indicated, the financial information presented in this Prospectus is the historical consolidated financial information of the Company and its consolidated subsidiaries. The Company’s audited consolidated financial statements as of and for the years ended December 31, 2009 and 2010 and unaudited condensed consolidated interim financial statements as of and for the nine-month periods ended September 30, 2010 and 2011 included in this Prospectus have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The Company’s condensed consolidated interim financial statements as of and for the nine-month periods ended September 30, 2010 and 2011 are unaudited and all information contained in this Prospectus with respect to those periods is also unaudited. These consolidated financial statements have been prepared in connection with the Acquisition. Prior to the Acquisition, the Company prepared statutory financial statements on a stand-alone basis for each of the Company, Orange Network and Orange Liechtenstein. The preparation of the consolidated financial statements did not therefore require any material allocation of assets and liabilities and income and expense items between France Telecom and the Company and its subsidiaries. The Company has not historically prepared consolidated financial statements of the Company and all its subsidiaries for periods of years ended prior to the year ended December 31, 2009 on a basis comparable to the consolidated financial statements included in this Prospectus.

Key Factors Affecting Results of Operations

Our performance and results of operations have been and will continue to be affected by a number of factors, including external factors. Certain of these key factors that have had, or may have, an effect on our results are set forth below. For further discussion of the factors affecting our results of operations, see “Risk Factors.”

One of the key constituents of our revenues is network revenues, which contributed 86.8% and 89.2% of our total revenues for the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively. A major contributor to our network revenues is mobile subscriber revenues, which is principally driven by the number of mobile subscribers on our network (our mobile subscriber base) and the ARPU, or average revenues per user (see “—ARPU”), that they generate. Our subscriber base evolution is driven by market dynamics (including demographics, technical innovation and changing customer behavior), gross connections market share (our ability to capture new subscribers), and our churn rate (our ability to retain existing customers, see “—Churn”). A key recent factor having impacted our mobile subscriber revenues is the increasing use of data services linked to the increasing popularity of smartphones and mobile computing devices, and our ability to successfully address this increasing demand. Lastly, mobile revenues are affected by macro-economic trends, such as competition-driven price evolution and general macro-economic conditions.

Our mobile costs of sale include access and interconnection fees, payable to other operators for calls made by our subscribers but terminated on networks belonging to other operators, subscriber acquisition and retention costs, which are costs associated with acquiring a new mobile subscriber and prolonging the contract of an existing mobile subscriber, network and IT expenses and other commercial expenses relating to advertising, promotion and other selling fees. Our primary subscriber acquisition and retention costs associated with postpaid subscribers include agent commissions related to sales generated by agents, distributors and resellers (together forming our indirect distribution channel) and the cost of handsets sold to our customers. Handsets are typically sold to our subscribers for a lower price than their cost, reflecting the incentive that we provide subscribers to subscribe or renew their subscription. The level of subscriber acquisition and retention costs varies depending on the distribution channel (direct or indirect). Our agent commissions are generally lowest for prepaid customers, due to lower ARPU and lower loyalty of prepaid subscribers, and highest for postpaid customers to reflect the higher lifetime value of these subscribers. Commissions for contracts are only paid out for new or retained subscribers through the indirect distribution channel. Increasing reliance on direct distribution channels is therefore a key factor for decreasing subscriber acquisition and retention costs. In the direct distribution channel, incentives and bonuses are paid out to the salesforce in relation to their subscriber acquisition and retention performance.

Mobile Subscriber Base

Mobile subscribers consist of subscribers for voice services (including ingoing and outgoing calls), non-voice services (including SMS, MMS and data services for handsets) and mobile broadband services (wireless internet access through a laptop, tablet or dongle). The table below sets forth selected mobile subscriber data for the periods indicated, including a split by subscriber segment.

	Mobile subscriber base					
	As of December 31,			As of September 30,		
	2009	2010	Change	2010	2011	Change
	(thousands of subscribers and percentage, as applicable)					
Postpaid residential subscribers ⁽¹⁾⁽²⁾⁽⁴⁾	827.0	828.1	0.1%	812.4	851.5	4.8%
Postpaid business subscribers ⁽¹⁾⁽²⁾⁽⁴⁾	125.0	132.1	5.7%	129.8	130.8	0.8%
Prepaid residential subscribers ⁽¹⁾⁽³⁾⁽⁴⁾	606.2	603.5	(0.4%)	620.5	601.8	(3.0%)
Mobile subscribers at end of period⁽¹⁾ . .	1,558.1	1,563.7	0.4%	1,562.7	1,584.1	1.4%

(1) Includes subscribers through resellers, but excludes subscribers through MVNOs as MVNOs own their subscriber base, whereas we enter into direct contractual arrangements with customers of resellers.

(2) Includes all subscribers who have an active contract.

(3) Includes any prepaid subscriber whose SIM card is connected to the network and who has had at least one chargeable outgoing traffic event (that is, voice, SMS, MMS or data) or has received four or more incoming traffic chargeable events (excluding traffic initiated by us) within the preceding three months.

(4) Includes subscribers for both handset and mobile broadband services but excludes machine-to-machine subscriptions.

Our mobile subscriber base increased by 0.4% between December 31, 2009 and December 31, 2010. This modest increase reflected an increase in our postpaid customer base (including both residential and business customers), which more than offset a decline in our prepaid residential customer base of 0.4% from December 31, 2009 to December 31, 2010. Our mobile subscriber base increased by 1.3% from December 31, 2010 to September 30, 2011. This performance has been driven by the launch of new offerings targeting the mass-market customer segment, such as Orange Young and Orange Me PrePay in the second and third quarter of 2011, respectively as part of our strategy. Excluding MVNOs, our mobile market share in Switzerland by number

of subscribers was 16.6% as of December 31, 2010 and we estimate that (on the same basis) it was 16.4% as of September 30, 2011. See “*Presentation of Financial and Other Data—Market, Economic and Subscriber Data; Market Share Data—Market Share.*”

Postpaid residential subscribers, postpaid business subscribers and prepaid residential subscribers comprised 53.0%, 8.4% and 38.6% respectively, of our mobile subscriber base as of December 31, 2010 and 53.8%, 8.3% and 38.0%, respectively, of our mobile subscriber base as of September 30, 2011. The postpaid segments (both residential and business) have higher-value as they have seen greater growth in use of smartphones, and, accordingly, non-voice services such as data than the prepaid segment.

Our residential postpaid customer base increased 0.1% between December 31, 2009 and December 31, 2010, due to an increase in our mobile broadband subscriber base, which more than offset a reduction in the number of our customers who subscribe for voice and non-voice services delivered on handsets (“handset subscribers”). The main driver for the decline in our handset subscriber base was the decline in our postpaid resellers base, and the disruptions related to our contemplated merger with Sunrise during the first half of 2010 when we reduced our marketing activity to refocus our efforts on the higher value customer segments. Our residential postpaid customer base increased by 2.8% from December 31, 2010 to September 30, 2011, primarily due to the increasing adoption of our Orange Me price plans, and in particular those including unlimited usage options.

Our postpaid business subscriber base increased by 5.7% between December 31, 2009 and December 31, 2010, reflecting an increase in both handset and mobile broadband subscribers bases. We believe the introduction of our “Orange Me” product offering for the SOHO and SME segment during the course of 2010 was the main factor driving this expansion. Our postpaid business subscriber base decreased by 1.0% between December 31, 2010 and September 30, 2011, principally due to the termination of several contracts with certain large business customers in the first half of 2011.

There was a decrease in the number of our prepaid subscribers of 0.4% from December 31, 2009 to December 31, 2010 and a decrease in prepaid subscribers of 0.3% from December 31, 2010 to September 30, 2011. The subscribers of this segment are price sensitive and expect constant innovations. At the time, we considered this segment as non-key as we focused on the higher value postpaid segment. During the course of 2011, we broadened our strategy to target a broader range of customers, including through increasing our product offerings in the prepaid segment (see “*Business—Business Operations—Mobile Telecommunications Offerings—Prepaid Offerings*”).

Churn

“Churn” refers to the percentage of subscriber disconnections during a given period. The table below sets forth our blended postpaid and prepaid churn rate for the periods indicated.

	Year ended December 31,		Nine months ended September 30, ⁽¹⁾	
	2009	2010	2010	2011
Churn rate ⁽²⁾	26.9%	30.0%	29.0%	29.1%

(1) The figures for the nine months ended September 30, 2010 and 2011 are annualized churn rates. Annualized churn rates are calculated by dividing the total number of disconnections of subscribers in the nine-month period by the average number of subscribers during the nine-month period, and dividing by the number of months of the period and multiplying by 12 (number of annualized months).

(2) Churn rates are presented on a blended basis (postpaid and prepaid) and calculated by dividing the number of disconnections of subscribers during the period by the average number of subscribers in the same period. The average number of subscribers does not include postpaid subscribers without an active contract and prepaid subscribers whose SIM card is connected to the network, but that have not had any chargeable outgoing traffic events (that is, voice, SMS, MMS or data) or that have received less than four incoming traffic chargeable events (excluding traffic initiated by us) within the preceding three months. We define “the average number of mobile subscribers in the period” as the average of each month’s average number of mobile subscribers calculated as the average of the total number of mobile subscribers at the beginning of the month and the total number of mobile subscribers at the end of the month.

The churn rate reflects in large part the attractiveness of offers and pricing compared to other operators, the subscriber experience and perception of the brand, the perceived quality of our network (including its coverage) and the perceived quality of our services (including customer care). The churn rate may also be impacted by shifts in subscriber status (where a subscriber becomes active or inactive), subscription duration and other factors, such as seasonality.

Our blended churn rate increased from 29.0% for the nine months ended September 30, 2010 to 29.1% for the nine months ended September 30, 2011 and from 26.9% for the year ended December 31, 2009 to 30.0% for the year ended December 31, 2010. In the second half of 2009 and the first half of 2010, our postpaid churn rate increased due to lower marketing activity while the Sunrise merger was being contemplated. In the first nine months of 2011 we experienced a significant decrease in our postpaid churn rate in large part due to a set of measures we adopted to reduce churn. Those measures included the setup of a dedicated team focusing on eliminating the root causes for churn, the definition and prioritization of specific initiatives to reduce or prevent churn at an early stage and the execution and monitoring of a specific churn action plan, including, for example, by making follow-up calls in reply to written cancellations. Our measures to reduce churn further included an improvement in billing processes and the upgrade of our network to improve our customers' experience. That decrease in our postpaid churn rate was offset by the increase in our prepaid churn rate during the same period, mainly reflecting increased competition and lower customer loyalty in the prepaid market.

In October 2011, we launched Orange Me Prepay, which gives our customers the ability to select benefits for any recharge. The duration of the benefits is tied in to the size of the recharge. We expect this offer to help us maintain and potentially reduce our churn rate in the prepaid residential customer segment. See “*Business—Business Operations—Mobile Telecommunications Offerings—Prepaid Offerings.*”

ARPU

	Mobile ARPU			
	Year ended December 31,		Nine months ended September 30,	
	2009	2010	2010	2011
	(CHF per month / percentages)			
Voice ARPU ⁽¹⁾⁽⁵⁾	40.8	39.0	40.1	36.3
Non-voice ARPU ⁽²⁾⁽⁵⁾	15.0	17.1	16.8	19.0
Non-voice ARPU as a percentage of total ARPU	26.8%	30.5%	29.5%	34.3%
Total ARPU⁽³⁾⁽⁵⁾	55.8	56.1	56.9	55.2
Of which billed ARPU ⁽⁴⁾⁽⁵⁾	44.8	45.9	46.0	47.5
Increase/(decrease) in total ARPU from prior equivalent period	(5.5)%	0.4%	2.0%	(3.0)%
Increase/(decrease) in billed ARPU from prior equivalent period	(3.0)%	2.5%	2.8%	3.2%

(1) We define “voice ARPU” as the total mobile voice revenues in the period divided by the average number of mobile subscribers in the period divided by the number of months in that period.

(2) We define “non-voice ARPU” as total revenues from non-voice services (mobile SMS, MMS and data services on handsets) and mobile broadband services in the period divided by the average number of mobile subscribers in the period divided by the number of months in the period.

(3) We define “total ARPU” as the total mobile subscriber revenues in a period divided by the average number of mobile subscribers in the period divided by the number of months in the period.

(4) We define “billed ARPU” as the measure of the sum of the total mobile subscriber revenues excluding revenues from incoming traffic in a period divided by the average number of mobile subscribers in the period divided by the number of months in the period.

(5) We define “the average number of mobile subscribers in the period” as the average of each month’s average number of mobile subscribers calculated as the average of the total number of mobile subscribers at the beginning of the month and the total number of mobile subscribers at the end of the month.

ARPU is driven primarily by prices for our services, traffic volume, data services utilization and revenues from access and interconnection fees for incoming calls. During the period under review, ARPU has been affected by a decrease in prices for voice services, reflecting in large part the impact of decreasing mobile termination rates, which was partly offset by growth of revenues from non-voice and mobile broadband services. Our ARPU was CHF 56.1 per month for the year ended December 31, 2010, an increase of 0.4% from ARPU of CHF 55.8 per month for the year ended December 31, 2009. We attribute this increase mainly to the change in customer mix and to the stabilization of the ARPU of our postpaid residential subscribers’ base. In that segment, the increasing penetration of non-voice and mobile broadband services through the launch of Orange Me in the third quarter of 2010 more than offset the decline in voice revenues impacted by lower mobile termination rates. ARPU was CHF 55.2 per month for the nine months ended September 30, 2011, a decrease of 3.0% from ARPU of CHF 56.9 per month for the same period in 2010. This principally reflected a decrease in voice ARPU (attributable to both decreasing mobile termination rates and general price erosion on outgoing calls), offset by an increase in adoption of data services (leading to an increase in non-voice ARPU of 12.9%). In addition, effective August 1, 2011, we implemented a change in the manner in which we bill our customers for voice services by increasing the minimum unit of time charged for a call from 10 seconds to one minute and multiples

thereof (the “charging interval”), consistent with the practice of our competitors. While the exact impact of that change will depend on factors beyond our control, including customer behavior, we expect that it will make a significant positive contribution to ARPU and to operating income beginning with the full year 2011.

Our billed ARPU (which excludes revenues from incoming traffic and therefore effectively excludes the impact of MTR decreases) was CHF 45.9 per month for the year ended December 31, 2010, an increase of 2.5% from ARPU of CHF 44.8 per month for the year ended December 31, 2009. Billed ARPU continued to experience stable growth through the first nine months of 2011, increasing by 3.2% as compared to the first nine months of 2010. We attribute the increase in both periods to increased data use by our subscribers and an increase in the proportion of our subscriber base which is comprised of postpaid subscribers. In addition, the change in charging interval that we implemented in August 2011 also contributed to the increase in our billed ARPU in the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010.

ARPU for postpaid subscribers is generally significantly higher than for prepaid subscribers. For example, ARPU for prepaid residential subscribers was CHF 15.9 per month in 2010, as compared to ARPU for postpaid residential subscribers of CHF 78.4 per month for the same period. As our strategy is currently to target more mass-market postpaid residential customers as well as prepaid residential customers, a potential shift in customer mix is expected to lead to a reduction in our blended mobile ARPU. In order to mitigate the impact of this reduction, we intend to implement a stimulation plan which we believe will result in an increase in the take-up of data options, increased cross- and up-selling through telesales and facilitating the migration of prepaid subscribers to postpaid subscribers.

Traffic Volume

Traffic volume for a given period measures the number of minutes of calls over our network for the period, including mobile-to-mobile, mobile-to-fixed, and fixed-to-mobile calls (national and international). The table below sets forth selected traffic data for our mobile business for the periods indicated:

	Mobile traffic volume			
	Year ended		Nine months ended	
	December 31		September 30	
	2009	2010	2010	2011
Total voice traffic ⁽¹⁾	2,752	2,897	2,128	2,695
Increase over prior equivalent period	0.4%	5.3%	3.4%	26.7%
SMS traffic ⁽²⁾	1,536	1,654	1,208	1,411
Increase over prior equivalent period	(0.5)%	7.7%	5.7%	16.8%
AMOU ⁽³⁾	151	161	157	200
Increase over prior equivalent period	0.2%	6.5%	4.7%	27.4%

(1) In millions of outgoing minutes and incoming off-network minutes.

(2) In millions of outgoing messages and incoming off-net messages).

(3) AMOU, or average minutes of use, is defined as total traffic minutes for the period divided by the total number of average mobile handset subscribers for the period, divided by the number of months in the period. We define “the average number of mobile handset subscribers for the period” as the average of each month’s average number of mobile handset subscribers calculated as the average of the total number of mobile handset subscribers at the beginning of the month and the total number of mobile handset subscribers at the end of the month.

AMOU increased for the year ended December 31, 2010 compared to the year ended December 31, 2009 and for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010, principally due to the successful launch of our OrangeMe offering in August 2010 which includes a number of plans with unlimited voice traffic.

Access and Interconnection Fees

Access and interconnection fees paid and received contribute to our mobile revenues and costs. We receive revenues from other operators for calls terminated on our network and we are required to pay fees to other mobile operators for calls terminated on their mobile networks, in each case both domestic and international.

Access and interconnection fees are based on set mobile termination rates. Mobile termination rates in Switzerland decreased significantly from 2008 to 2011, by 57.6% for Swisscom, Sunrise and us, with a particularly sharp reduction between the average mobile termination rate in effect in 2010 and the mobile termination rate in effect in 2011 of 44% for Swisscom and 42.6% for Sunrise and us. This was due to negotiation among the three major Swiss operators following guidance from ComCom in Switzerland, which advocates reductions in mobile termination rates in order to decrease costs for consumers.

CHF/minute	Year ended December 31,		Nine months ended September 30,	Three months ended December 31,	Year ended December 31,
	2008	2009	2010	2010	2011
MTRs Swisscom	0.1650	0.1500	0.1250	0.1250	0.0700
MTRs Orange Switzerland/Sunrise . . .	0.2063	0.1800	0.1700	0.1000	0.0875

Source: ComCom, OFCOM

Mobile termination rates are generally expected to continue to decrease over the 2012-2015 period, albeit at a slower pace than historically experienced. The next round of mobile termination rate negotiation among operators is scheduled to be completed by the end of the first quarter of 2012. If the parties cannot agree by March 31, 2012 on the mobile termination rates to be applied as from July 1, 2012, each party may request ComCom to determine the mobile termination rates based on the then applicable rules of the Swiss Telecommunications Act. In such case, ComCom could choose to determine mobile termination rates in a way which would likely result in lower mobile termination rates.

As our access and interconnection revenues have exceeded our access and interconnection fees during the period under review, the decrease in mobile termination rates has had a greater negative impact on our revenues than on our gross margin. See “*Risk Factors—Risks Related to Our Market and Our Business—We are exposed to decreases in mobile termination rates and other rates such as roaming tariffs.*”

In the analysis of our results of operations set out below, to aid in the evaluation of our underlying operating performance, we provide certain financial data on a restated basis to exclude the impact of changes in mobile termination rates during the periods under review by using constant mobile termination rates. We do so by calculating the weighted average mobile termination rate applicable during the later period and applying it to the earlier period.

General Economic Conditions

Many European countries, including Switzerland, have experienced an economic slowdown, which included a general contraction in consumer spending resulting from, among other factors, reduced consumer confidence, falling gross domestic product, rising unemployment rates and uncertainty in the macroeconomic environment.

We operate in the telecommunications sector where underlying demand has proven to be less cyclical than other sectors in the course of the current global financial and economic crisis. In addition, the Swiss economy also showed itself to be relatively resilient through the recent economic crisis as compared to other European economies.

However, recessionary conditions typically adversely impact consumer spending, including on telecommunications services and products, which in turn impacts our subscriber base and revenues. Consumers may spend less on an incremental basis, such as by placing fewer calls or migrate to cheaper price plans. Consumers may also delay the replacement of their existing handset (which reduces our retention costs). Recessionary conditions may continue to weigh on the growth prospects of the Swiss telecommunications market in terms of the penetration of new value-added services and traffic, ARPU and number of subscribers and, in particular, the volume of business subscribers.

Proposed Merger with Sunrise

In November 2009, our parent company, France Telecom, and TDC, the Danish telecommunications company and controlling shareholder of Sunrise at the time of the proposed merger, announced that we would be merging our operations with those of Sunrise. In April 2010, the Swiss competition commission declined to approve the proposed merger. Our plan to merge with Sunrise, and its subsequent cancellation, had a material impact on our results of operations in late 2009 and 2010.

- While we were anticipating completion of the merger with Sunrise, our commercial efforts focused on the higher value subset of our postpaid customer base, resulting in slower growth of our overall postpaid customer base in 2010. With the launch of Orange Me in August 2010, we resumed our focus on growing our overall subscriber base. See “—*Key Factors Affecting Results of Operations—Mobile Subscriber Base.*”
- We incurred additional expenses of CHF 4.3 million in connection with the merger in 2010, consisting principally of external advisor fees, as well as a bonus paid to certain employees for their contribution to the project.

- Due to the planned merger, and in anticipation of the synergies we expected to realize from it, we postponed certain programmed network capital expenditures in 2009 and part of 2010. We resumed our capital expenditure program during the second half of 2010, and the first half of 2011.

Mobile Network Upgrade

With the growing penetration of smartphones and the increasing demand in data services, upgrading and maintaining our network is key to the provision of our services to our customers. The perception of the network quality is an important factor for us to be able to retain our subscribers, therefore being a driver of our churn. The quality of our network represents a key element in our ability to attract new customers.

The upgrade and maintenance of our network has a direct impact on the level of our expenses and the capital expenditures we incur each year. In 2009 we limited our capital expenditures in our network due to the envisaged merger with Sunrise and the expected impact of the economic downturn but we resumed our investments in 2010 notably with the upgrade of our 3G capacity and speed of our network. In the first half of 2011, we launched a radio access network swap and renewal program to improve our 2G and 3G access network quality, capacity and coverage, including implementing new data functionality and rationalizing the access network. As a result of the program, the majority of our access equipment is expected to be replaced during 2011 and 2012. See “*Liquidity and Capital Resources—Capital Expenditures and Investments.*”

Effects of the Acquisition and the Separation

We expect that our separation from the FT Group after the Completion Date may result in an increase in certain of our costs. Certain contracts in place prior to the Acquisition will terminate due to the change of control of the Company. Other services will continue to be provided by the FT Group under the Transitional Agreement, at prices substantially similar to the prices we have paid in the past. However, after the expiration or termination of the arrangements contemplated by the Transitional Agreement, we may not be able to replace the relevant services on terms (including cost provisions) as favorable as those received from the FT Group. In particular, we expect to incur certain costs relating to a potential rebranding of the Group (which we anticipate will amount to approximately CHF 40 million (in addition to regular marketing and advertising costs) and will be partially or fully capitalized), as well as additional costs in connection with the Group’s reduced reliance on the FT Group for roaming and in relation to the sourcing of equipment. The roaming agreement with FT dated December 23, 2011 further contemplates that the terms of settlement for inter-operator tariffs between the FT Group and us may shorten after 2013 from 365 days at present. In addition, the amount of inter-operator tariff discounts under the roaming agreement will decrease over time in line with the decrease in committed roaming traffic under the agreement. There is a risk that these items will materially and adversely affect our net working capital requirements in 2014, although we are unable to quantify that risk at present.

MVNOs

Revenues from MVNOs were CHF 15.0 million and CHF 15.9 million for the years ended December 31, 2009 and 2010, respectively and CHF 12.6 million and CHF 9.2 million for the nine months ended September 30, 2010 and 2011, respectively. The MVNO market in Switzerland comprised an estimated 0.3 million subscribers in 2010 and accounted for approximately 3% of the Swiss mobile market revenues. Accordingly, we believe that there is potential for further growth in the MVNO market in Switzerland. However, the increase in market share of MVNOs is expected to result in increased competition and accordingly put pressure on prices.

Historically, a significant proportion of our revenues and operating income from MVNOs have been attributable to our contract with Lycamobile, which is expected to terminate in February 2012 although the parties are currently negotiating a potential extension of the contract for transitional purposes. See “*Business—Business Operations—Mobile Telecommunications Offerings—MVNOs / Wholesale Resellers.*” Our ability to increase our share in the MVNO market will be dependent on our ability to overcome the termination of the Lycamobile contract, capitalize on our other existing MVNO relationships and create new ones. We have entered into MVNO contracts with Ortel in 2011, Transatel in 2010 and also with upc cablecom (though this contract is not yet in effect). We expect a progressive increase in revenues from the MVNO contract with Ortel in 2012.

Key Income Statement Line Items

Revenues

Revenues from our activities include:

- Network revenues, including mobile subscribers revenues, visitor roaming revenues, access and interconnection fees paid to us and revenues from MVNOs and machine-to-machine subscriptions. Mobile subscriber revenues mainly consists of revenues from voice (including ingoing and outgoing calls), non-voice (including SMS, MMS and data services for handsets) and mobile broadband (wireless internet access through a laptop, tablet or dongle) services. Visitor roaming revenues represent revenues received from our roaming partners for their customers' use of services on our network. Revenues from MVNOs are typically generated by charging the MVNOs fees related to their usage on our network. The table below sets forth a breakdown of our mobile subscriber revenues by type of service:
- Equipment revenues, which correspond to the sale of handsets and, to a lesser extent, accessories;
- Other mobile services revenues, which mainly include transit revenues (calls issued from another operator and which are destined to someone who is not our subscriber), income from administration and penalties and Citydisc margin sales; and
- Fixed line home and fixed line enterprise revenues, which have been marginal historically (see *"Business—Business Operations—Fixed Voice, Broadband Internet and TV Products"*).

Operating Costs

Our operating costs include:

- Access backbone and interconnection fees, which include interconnection fees, fixed network costs and transmission leased lines (related to the lease of access circuits from other network providers);
- commercial expenses, which include commission paid out to distributors for signing or retaining subscribers, advertising, sponsoring and promotion expenses and cost of equipment sold;
- network, IT, property expenses and other purchases;
- labor expenses, which include salaries and wages, social contributions, individual incentive/bonus plans and the cost of post-employment benefits;
- other operating expenses, which include the cost of customer bad debt, the cost of spectrum fees and further operating expenses, in particular capital investment taxes.
- restructuring and transaction costs;
- corporate and brand fees;
- depreciation, relating to tangible fixed assets; and
- amortization and impairment of intangible fixed assets.

Other Operating Income

Other operating income includes net foreign exchange gains and losses on trade payables and receivables and further operating income, in particular costs recharged to affiliated companies of the FT Group.

Results of Operations

The table below shows our consolidated results of operations for the years ended December 31, 2009 and 2010 and the nine months ended September 30, 2010 and 2011.

	Year ended December 31,		Nine months ended September 30,	
	2009	2010	2010	2011
	(Unaudited)			
	(CHF in thousands)			
Revenues	1,295,741	1,295,453	975,806	923,207
Access back bone and interconnection	(239,582)	(239,586)	(183,922)	(172,331)
Commercial expenses and cost of equipment sold	(359,614)	(370,586)	(261,407)	(250,040)
Network, IT, property expenses and other purchases	(193,519)	(197,300)	(150,879)	(128,538)
Labor expenses	(140,739)	(137,572)	(102,768)	(107,032)
Other operating expenses	(28,362)	(18,510)	(15,752)	(16,533)
Other operating income	18,913	19,664	14,744	15,328
Restructuring and transaction costs	(1,291)	(6,944)	(8,837)	(1,238)
Corporate and brand fees	(33,326)	(31,060)	(24,707)	(22,435)
Depreciation, amortization and impairment	(215,313)	(185,244)	(141,568)	(145,362)
Operating income	102,908	128,316	100,711	95,026
Financial expenses	(23,003)	(20,197)	(15,599)	(14,507)
Financial income	3,949	4,016	2,395	1,380
Net financial costs	(19,054)	(16,181)	(13,204)	(13,127)
Net income before tax	83,854	112,135	87,507	81,899
Income tax	(2,602)	(16,384)	(7,094)	(13)
Net income	81,252	95,751	80,413	81,886
Net income attributable to equity owners	81,252	95,751	80,413	81,886

Nine Months Ended September 30, 2011 as Compared to Nine Months Ended September 30, 2010

Revenues

Our total revenues were CHF 923.2 million for the nine months ended September 30, 2011, a decrease of CHF 52.6 million, or 5.4%, from total revenues of CHF 975.8 million for the nine months ended September 30, 2010. This decrease in total revenues was primarily due to decreases in revenues from network, equipment and other mobile services.

	Nine months ended September 30,				Change	
	2010	% of total revenues	2011	% of total revenues	Amount	%
	(Unaudited)					
	(CHF in thousands / percentages)					
Network	857,170	87.8%	823,419	89.2%	(33,751)	(3.9)%
Equipment	76,990	7.9%	65,026	7.0%	(11,964)	(15.5)%
Other mobile services	35,223	3.6%	28,503	3.1%	(6,720)	(19.1)%
Fixed line home	4,205	0.4%	3,497	0.4%	(708)	(16.8)%
Fixed line enterprise	2,218	0.2%	2,762	0.3%	544	24.5%
Total revenues	975,806	100.0%	923,207	100.0%	(52,599)	(5.4)%

Network revenues were CHF 823.4 million for the nine months ended September 30, 2011, a decrease of CHF 33.8 million, or 3.9%, from CHF 857.2 million for the nine months ended September 30, 2010.

The decrease in network revenues for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 was primarily attributable to a decrease in access and interconnection revenues, itself due to the decrease in mobile termination rates during the period and a decrease in prepaid residential subscriber revenues, both of which more than offset a continued increase in billed revenues from postpaid services reflecting the commercial success of our Orange Me offering, growth of non-voice revenues driven by data and the change in charging interval that we implemented in August 2011. In addition, the decrease in visitor roaming revenues during that period reflected decreasing net inter operator tariffs as well as fluctuations in foreign exchange rates (as net inter operator tariffs are generally denominated in euro) See “—Key Factors Affecting Results of Operations—ARPU.” At constant mobile termination rates, network revenues

would have increased by CHF 25.4 million, or 3.2%, to CHF 823.4 million for the nine months ended September 30, 2011 from CHF 798.0 million for the nine months ended September 30, 2010.

Equipment revenues were CHF 65.0 million for the nine months ended September 30, 2011, a decrease of CHF 12.0 million, or 15.5%, from CHF 77.0 million for the nine months ended September 30, 2010. Of this CHF 12.0 million decrease, a significant portion was due to a change in accounting treatment applied in 2011. In 2011, we started recording sales of equipment to our distributors net of customer discounts, whereas in prior periods we recorded such sales on a gross basis with the corresponding customer discount being recorded as an expense. Periods prior to 2011 have not been restated to reflect this change. The remainder of the decrease in equipment revenues for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 was due to a decrease in equipment sale volumes in the third quarter of 2011, principally as a result of the discontinuation of our non-core activity of buyer and reseller of telecommunications equipment.

Other mobile services revenues were CHF 28.5 million for the nine months ended September 30, 2011, a decrease of CHF 6.7 million, or 19.1%, from CHF 35.2 million for the nine months ended September 30, 2010. This decrease in other mobile services revenues was mainly due to a decrease in the resale of network capacity to other operators and to lower administration and penalty fees charged to customers. Fixed line revenues (including both enterprise and residential) totalled CHF 6.3 million for the nine months ended September 30, 2011, a decrease of 2.6% from CHF 6.4 million for the nine months ended September 30, 2010.

The table below sets out our revenues by subscriber segments for the periods indicated.

	Nine months ended September 30,				Change	
	2010	% of network revenues	2011	% of network revenues	Amount	%
(Unaudited)						
(CHF in thousands / percentages)						
Postpaid residential subscribers	587,682	68.6%	585,572	71.1%	(2,110)	(0.4)%
Prepaid residential subscribers	89,502	10.4%	75,206	9.1%	(14,296)	(16.0)%
Postpaid business subscribers	119,751	14.0%	117,796	14.3%	(1,955)	(1.6)%
Total mobile subscriber revenues	796,935	93.0%	778,574	94.6%	(18,361)	(2.3)%
Other ⁽¹⁾	60,235	7.0%	44,845	5.4%	(15,390)	(25.5)%
Network revenues	857,170	100.0%	823,419	100.0%	(33,751)	(3.9)%

(1) Other network revenues include revenues from visitor roaming, MVNOs and machine-to-machine subscriptions.

The table below sets out our mobile subscriber revenues by type of service.

	Revenues	
	Nine months ended September 30,	
	2010	2011
(Unaudited)		
(CHF in thousands)		
Voice	561,929	511,262
Non-voice	235,006	267,312
Handset ⁽¹⁾	215,939	248,961
Mobile broadband ⁽²⁾	19,067	18,351
Total mobile subscribers revenues	796,935	778,574
Total network revenues	857,170	823,419

(1) Includes data services on telephone handsets.

(2) Includes data services on devices other than telephone handsets, such as laptops, tablets and dongles.

Access and Interconnection Fees

Access and interconnection fees were CHF 172.3 million for the nine months ended September 30, 2011, a decrease of CHF 11.6 million, or 6.3%, from CHF 183.9 million for the nine months ended September 30, 2010. The decrease in mobile termination rates during the period led to a decrease in access and interconnection fees, partly offset by costs associated with an increase in outgoing traffic in the first quarter of 2011. The increase in outgoing traffic during that period was due to the high take-up of the unlimited plans as part of the Orange Me offering.

Commercial Expenses and Cost of Equipment Sold

Commercial expenses and cost of equipment sold were CHF 250.0 million for the nine months ended September 30, 2011, a decrease of CHF 11.4 million, or 4.3%, from CHF 261.4 million for the nine months ended September 30, 2010. A significant portion of the CHF 11.4 million decrease in commercial expenses and cost of equipment sold for the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, was due to the change in accounting treatment discussed above, under which we started recording revenues from the sale of equipment to our distributors net of customer discounts in 2011. In addition, subscriber retention costs decreased for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010, principally due to the implementation of a new commissioning scheme for distributors, which resulted in lower aggregate commissions paid.

Network, IT, Property Expenses and Other Purchases

Network, IT, property expenses and other purchases were CHF 128.5 million for the nine months ended September 30, 2011, a decrease of CHF 22.3 million, or 14.8%, from CHF 150.9 million for the nine months ended September 30, 2010. The decrease principally reflected the reversal of accruals made in prior periods which were no longer required, as well as decreases in network and IT charges primarily resulting from credits and rebates received from suppliers under existing contractual arrangements, and savings achieved in consulting and professional services. In 2011, we initiated a review of accruals recorded prior to 2010 which resulted in reversals of expenses for the nine months ended September 30, 2011 (including related to network and IT expenses and property expenses).

Labor Expenses

Labor expenses were CHF 107.0 million for the nine months ended September 30, 2011, an increase of CHF 4.3 million, or 4.1%, from CHF 102.8 million for the nine months ended September 30, 2010. The increase in labor expenses was primarily attributable to an increase in headcount notably linked to the in-sourcing of certain activities, including customer care and to salary increases.

Other Operating Expenses

Other operating expenses were CHF 16.5 million for the nine months ended September 30, 2011, an increase of CHF 0.8 million, or 5.0%, from CHF 15.8 million for the nine months ended September 30, 2010. This increase was primarily attributable to a CHF 2.4 million increase in spectrum fees from CHF 5.0 million for the nine months ended September 2010 to CHF 7.5 million for the nine months ended September 30, 2011, partly offset by lower customer bad debt written-off and lower capital investment tax.

Other Operating Income

Other operating income was CHF 15.3 million for the nine months ended September 30, 2011, an increase of CHF 0.6 million, or 4.0%, from CHF 14.7 million for the nine months ended September 30, 2010. This increase was primarily attributable to a CHF 2.8 million increase in foreign exchange gains on trade payables and receivables, partly offset by lower costs being recharged to affiliated companies of France Telecom.

Restructuring and Transaction Costs

Restructuring and transaction costs were CHF 1.2 million for the nine months ended September 30, 2011, a decrease of CHF 7.6 million, or 86.0%, from CHF 8.8 million for the nine months ended September 30, 2010. The decrease in restructuring and transaction costs in the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 was primarily attributable to the costs we incurred in 2010 in the context of the merger plan with Sunrise and its subsequent cancellation, including transaction costs of CHF 4.3 million and to restructuring costs of CHF 4.6 million. By contrast, we recorded no material transaction costs and CHF 1.2 million of restructuring costs in the nine months ended September 30, 2011.

Corporate and Brand Fees

Corporate and brand fees were CHF 22.4 million for the nine months ended September 30, 2011, a decrease of CHF 2.3 million, or 9.2%, from CHF 24.7 million for the nine months ended September 30, 2010. The decrease in corporate and brand fees was predominantly due to lower revenues generated over the period as such fees are calculated as a percentage of revenues.

Depreciation, Amortization and Impairment

Depreciation, amortization and impairment losses were CHF 145.4 million for the nine months ended September 30, 2011, an increase of CHF 3.8 million, or 2.7%, from CHF 141.6 million for the nine months ended September 30, 2010. The increase in depreciation, amortization and impairment losses was primarily attributable to the ramp-up in our network capital expenditure plan and in particular to depreciation of old equipment as part of our radio access network swap programs.

Operating Income

As a result of the foregoing factors, our operating income was CHF 95.0 million for the nine months ended September 30, 2011 and CHF 100.7 million for the nine months ended September 30, 2010.

At constant mobile termination rates, our operating income would have increased by CHF 26.5 million or 38.7% to CHF 95.0 million for the nine months ended September 30, 2011 as compared from CHF 68.5 million for the nine months ended September 30, 2010.

Financial Expenses

Financial expenses were CHF 14.5 million for the nine months ended September 30, 2011, a decrease of CHF 1.1 million, or 7.0%, from CHF 15.6 million for the nine months ended September 30, 2010. The decrease in financial expenses was primarily attributable to the reclassification of credit card and bank fees and early payment discounts as part of operating income in 2011, with no restatement of the prior period.

Financial Income

Financial income was CHF 1.4 million for the nine months ended September 30, 2011, a decrease of CHF 1.0 million, or 42.4%, from CHF 2.4 million for the nine months ended September 30, 2010. The decrease in financial income was primarily attributable to a lower amount of cash and cash equivalents on average for the nine months ended September 30, 2011 compared with the nine months ended September 30, 2010 following a payment of dividends to our shareholder.

Income Tax

The following table sets forth our income tax expense for the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2011.

	Nine months ended September 30,		Change	
	2010	2011	Amount	%
	(Unaudited)			
	(CHF in thousands / percentages)			
Current tax expense in respect of the current year	(404)	(365)	39	(9.7)%
Deferred tax income / (expense)	(6,690)	352	7,042	NM
Total income tax	(7,094)	(13)	7,081	NM

Income tax decreased by CHF 7.1 million, or 99.8%, from CHF 7.1 million for the nine months ended September 30, 2010 to CHF 0.01 million for the nine months ended September 30, 2011, mainly due to a decrease in deferred tax expenses.

Year Ended December 31, 2010 as Compared to Year Ended December 31, 2009

Revenues

Our total revenues were CHF 1,295.5 million for the year ended December 31, 2010, substantially similar to the total revenues for the year ended December 31, 2009. Revenues remained fairly stable due to a decrease in revenues from network which was substantially offset by an increase in revenues from equipment and fixed line enterprise.

	Year ended December 31,				Change	
	2009	% of total revenues	2010	% of total revenues	Amount	%
	(CHF in thousands / percentages)					
Network	1,128,320	87.1%	1,124,757	86.8%	(3,563)	(0.3)%
Equipment	110,697	8.5%	113,635	8.8%	2,938	2.7%
Other mobile services	49,905	3.9%	48,333	3.7%	(1,572)	(3.1)%
Fixed line home	5,530	0.4%	5,509	0.4%	(21)	(0.4)%
Fixed line enterprise	1,289	0.1%	3,219	0.2%	1,930	149.7%
Total revenues	1,295,741	100.0%	1,295,453	100.0%	(288)	0.0%

Network revenues were CHF 1,124.8 million for the year ended December 31, 2010, a decrease of CHF 3.6 million, or 0.3%, from CHF 1,128.3 million for the year ended December 31, 2009.

This decrease in network revenues for the year ended December 31, 2010 compared to the year ended December 31, 2009 was primarily attributable to a decrease in mobile termination rates as well as a decrease in inter-operator tariffs applicable to visitor roaming traffic. At constant mobile termination rates, network revenues would have increased by CHF 21.9 million, or 2.0%, to CHF 1,124.8 million for the year ended December 31, 2010 from CHF 1,102.9 million for the year ended December 31, 2009. The increase in network revenues in the year ended December 31, 2010 compared to the year ended December 31, 2009 after excluding the impact of changes in mobile termination rates related principally to an increase in postpaid subscriber revenues both from residential and business postpaid customers. That increase was primarily related to non-voice and mobile broadband services as part of the Orange Me customizable price plans. Prepaid subscribers revenues decreased due to lower prices in the prepaid market, itself reflecting higher competition (including from MVNOs).

Other network revenues decreased principally due to lower visitor roaming revenues linked to the decrease in inter-operator tariffs applicable to visitor roaming traffic, partly offset by an increase in MVNO revenues principally due to an increase in the MVNO subscriber base.

Equipment revenues were CHF 113.6 million for the year ended December 31, 2010, an increase of CHF 2.9 million, or 2.7%, from CHF 110.7 million for the year ended December 31, 2009. Increase in equipment revenues was primarily attributable to increased smartphone sales and, to a lesser extent, care accessories.

Other mobile services revenues were CHF 48.3 million for the year ended December 31, 2010, a decrease of CHF 1.6 million, or 3.1%, from CHF 49.9 million for the year ended December 31, 2009. This decrease in other mobile services revenues were primarily due to a decrease in Citydisc sales commissions from sales of products, such as DVDs and video games. Fixed-line home revenues were stable while fixed-line enterprise revenues benefited from commercial efforts in that area.

The table below sets out our revenues from subscriber segments for the periods indicated.

	Year ended December 31,				Change	
	2009	% of network revenues	2010	% of network revenues	Amount	%
	(CHF in thousands)					
Postpaid residential subscribers	765,303	67.8%	772,201	68.7%	6,898	0.9%
Prepaid residential subscribers	129,470	11.5%	116,182	10.3%	(13,288)	(10.3)%
Postpaid business subscribers	149,660	13.3%	159,065	14.1%	9,405	6.3%
Total mobile subscriber revenues	1,044,433	92.6%	1,047,448	93.1%	3,015	0.3%
Other ⁽¹⁾	83,887	7.4%	77,309	6.9%	(6,578)	(7.8)%
Network revenues	1,128,320	100.0%	1,124,757	100.0%	(3,563)	(0.3)%

(1) Other network revenues include revenues from visitor roaming, MVNOs and machine-to-machine subscriptions.

The table below sets forth a breakdown of our mobile subscriber revenues by type of service.

	Revenues	
	Year ended December 31,	
	2009	2010
	(CHF in thousands)	
Voice	764,214	728,257
Non-voice	280,219	319,191
Handset ⁽¹⁾	263,969	293,816
Mobile broadband ⁽²⁾	16,250	25,375
Total mobile subscribers revenues	1,044,433	1,047,448
Total network revenues	1,128,320	1,124,757

(1) Includes data services on telephone handsets.

(2) Includes data services on devices other than telephone handsets, such as laptops, tablets and dongles.

Access and Interconnection Fees

Access and interconnection fees were CHF 239.6 million for the year ended December 31, 2010, substantially the same as access and interconnection fees for the year ended December 31, 2009. These costs remained stable from 2009 to 2010 because the impact of the decrease in mobile termination rates was offset by higher transmission leased lines costs as a result of increasing outgoing traffic.

Commercial Expenses and Cost of Equipment Sold

Commercial expenses and cost of equipment sold were CHF 370.6 million for the year ended December 31, 2010, an increase of CHF 11.0 million, or 3.1%, from CHF 359.6 million for the year ended December 31, 2009. The increase in commercial expenses and cost of equipment sold was mainly due to higher subscriber acquisition and retention costs, principally as a result of higher handset purchase costs, and higher commissions paid out to distributors.

Network, IT, Property Expenses and Other Purchases

Network, IT, property expenses and other purchases were CHF 197.3 million for the year ended December 31, 2010, an increase of CHF 3.8 million, or 2.0%, from CHF 193.5 million for the year ended December 31, 2009. The increase was mainly due to increases in network and IT charges and property rental expenses, offset in part by a decrease in other purchases costs. The increase in property rental expenses principally related to the roll-out of the new points of sale in Globus department stores.

Labor Expenses

Labor expenses were CHF 137.6 million for the year ended December 31, 2010, a decrease of CHF 3.2 million, or 2.3%, from CHF 140.7 million for the year ended December 31, 2009. The decrease in labor expenses was primarily attributable to an internal reorganization following the failure of the Sunrise merger, resulting in a net reduction in headcount of 30 full-time employees, which was offset in part by the opening of points of sale in Globus' department stores in 2010, resulting in 24 additional full-time equivalent employees.

Other Operating Expenses

Other operating expenses were CHF 18.5 million for the year ended December 31, 2010, a decrease of CHF 9.9 million, or 34.7%, from CHF 28.4 million for the year ended December 31, 2009. This decrease was attributable to a CHF 4.0 million decrease in spectrum fees from CHF 11.4 million for the year ended December 31, 2009 to CHF 7.3 million for the year ended December 31, 2010, to a CHF 3.1 million decrease in customer bad debt written-off, from CHF 11.5 million for the year ended December 31, 2009 to CHF 8.4 million for the year ended December 31, 2010, and to lower capital investment tax.

Other Operating Income

Other operating income was CHF 19.7 million for the year ended December 31, 2010, an increase of CHF 0.8 million, or 4.0%, from CHF 18.9 million for the year ended December 31, 2009. This increase was primarily attributable to a CHF 3.4 million increase in foreign exchange gains on trade payables and receivables, partly offset by lower costs being recharged to affiliated companies of France Telecom.

Restructuring and Transaction Costs

Restructuring and transaction costs were CHF 6.9 million for the year ended December 31, 2010, an almost fivefold increase of CHF 5.7 million from CHF 1.3 million for the year ended December 31, 2009. The increase in restructuring and transaction costs was primarily attributable to transaction costs of CHF 4.3 million for the year ended December 31, 2010, mainly comprising external advisor fees in the context of the contemplated merger with Sunrise, whereas no transaction costs were incurred for the year ended December 31, 2009.

Corporate and Brand Fees

Corporate and brand fees were CHF 31.1 million for the year ended December 31, 2010, a decrease of CHF 2.3 million, or 6.8%, from CHF 33.3 million for the year ended December 31, 2009. The decrease in corporate and brand fees was predominantly due to the decrease in revenues on which these fees are charged to us.

Depreciation, Amortization and Impairment

Depreciation, amortization and impairment losses were CHF 185.2 million for the year ended December 31, 2010, a decrease of CHF 30.1 million, or 14.0%, from CHF 215.3 million for the year ended December 31, 2009. The decrease in depreciation, amortization and impairment losses was primarily attributable to a decrease in network assets, reflecting the increasing part of network assets fully depreciated.

Operating Income

As a result of the foregoing factors, our operating income was CHF 128.3 million for the year ended December 31, 2010 and CHF 102.9 million for the year ended December 31, 2009, representing operating margins of 9.9% and 7.9%, respectively. This increase was primarily attributable to a decrease in depreciation, amortization and impairment losses. At constant mobile termination rates, our operating income would have been CHF 128.3 million for the year ended December 31, 2010 as compared to CHF 88.6 million for the year ended December 31, 2009, an increase of 44.8%.

Financial Expenses

Financial expenses were CHF 20.2 million for the year ended December 31, 2010, a decrease of CHF 2.8 million, or 12.2%, from CHF 23.0 million for the year ended December 31, 2009. The decrease in financial expenses was primarily attributable to lower interest on shareholder loans due to a decrease in CHF 3-month LIBOR.

Financial Income

Financial income was CHF 4.0 million for the year ended December 31, 2010, an increase of CHF 0.1 million, or 1.7%, from CHF 3.9 million for the year ended December 31, 2009, primarily due to increased interest income on cash and other deposits and foreign exchange gains on financial assets and liabilities.

Income Tax

The following table sets forth our income tax expense for the year ended December 31, 2009 as compared to the year ended December 31, 2010.

	Year ended December 31,		Change	
	2009	2010	Amount	%
			(CHF in thousands / percentages)	
Current tax expense in respect of the current year . . .	(269)	(498)	(229)	85.1%
Deferred tax income / (expense)	(2,333)	(15,886)	(13,553)	NM
Total income tax	(2,602)	(16,384)	(13,782)	NM

Income tax increased by CHF 13.8 million, or 529.7%, from CHF 2.6 million for the year ended December 31, 2009 to CHF 16.4 million for the year ended December 31, 2010, mainly due to an increase in deferred tax expenses.

Liquidity and Capital Resources

Capital Resources

Capital Resources Prior to the Acquisition

Prior to the Acquisition, our principal source of liquidity was cash flow generated from our operations as well as intercompany loans from France Telecom and credit facilities in the form of bank overdrafts and cash pooling arrangements with France Telecom.

Loans from Related Parties

As of September 30, 2011, we had intercompany loans amounting to CHF 917 million owed to Atlas Services Belgium (wholly owned by France Telecom), then our direct shareholder. The loans consisted of a loan of CHF 480.0 million, which was scheduled to mature in December 2017, and a loan of CHF 437.0 million, was scheduled to mature in October 2018. These loans were extended to ONW to finance the purchase of licenses (CHF 480 million loan in 2007) and network assets (CHF 437 million in 2008) from Orange. The proceeds from these sales were used by Orange to pay a CHF 820.0 million dividend to Atlas Services Belgium in 2008. In connection with the Acquisition, the loans are expected to be repaid in full on or about the Completion Date.

Credit Facilities

As of September 30, 2011, we had credit facilities in relation with cash-pooling arrangements with France Telecom in the amount of CHF 40.0 million.

Capital Resources Following the Acquisition

We expect that our principal source of liquidity will be our operating cash flows, which are analyzed below. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent on general economic, financial, competitive, market, regulatory and other factors, including those discussed under “*Risk Factors*,” many of which are beyond our control.

In addition, we will have access to a Revolving Credit Facility in the amount of CHF 100 million. The Revolving Credit Facility is currently not expected to be drawn as of the Completion Date. See “*Summary—Sources and Uses for the Transactions*.”

Although we believe that our expected operating cash flows, together with the borrowings under the Revolving Credit Facility and cash on hand in the amount of approximately CHF 64 million, will be adequate to meet our anticipated liquidity and debt service needs, we cannot be certain that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs.

We believe that a potential risk to our liquidity would be if our operating cash flows declined due to a reduction in net income from our operations, which could result from downturns in our performance or the industry as a whole. We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of operating profit from our operations, which could be caused by a downturn in our performance or in the industry as a whole;
- the failure of our customers to make payments due to us;
- a delay by our customers to make payments due to us;
- a failure to maintain low working capital requirements;
- the need to fund network upgrades and other development capital expenditures; and
- the need to fund maintenance capital expenditures.

If our future cash flows from operations and other capital resources (including borrowings under the Revolving Credit Facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We may not accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of the Notes and any future debt may limit our ability to pursue any of these alternatives.

Cash Flows

The table below sets out certain information related to our cash flows.

	Year ended December 31,		Nine months ended September 30,	
	2009	2010	2010	2011
	(Unaudited)			
	(CHF in thousands)			
Consolidated net income	81,252	95,751	80,413	81,886
Adjustments to reconcile net income/(loss) to funds generated from operations				
Depreciation and amortization	214,802	183,317	140,109	144,757
Impairment of non-current assets	511	1,927	1,459	605
Change in other provisions	2,871	(3,604)	3,721	(278)
Income tax recognized in the P&L	2,602	16,384	7,094	13
Interest income and expense, net	20,117	17,276	13,074	12,581
Foreign exchange gains and losses, net	(434)	(590)	393	657
Derivatives	(629)	(437)	56	236
Change in inventories, trade receivables and trade payables				
Decrease / (increase) in inventories	(12,420)	7,336	17,099	5,672
Decrease / (increase) in trade receivables	(56,212)	45,670	10,724	(35,816)
Increase / (decrease) in trade payables	108,825	(41,803)	(564)	3,852
Other changes in working capital requirements				
Decrease / (increase) in other receivables	2,054	18,444	12,330	(8,799)
Increase / (decrease) in other payables	(6,432)	6,009	5,350	2,156
Other net cash out				
Interest income received	1,522	1,483	1,072	140
Interest paid and interest rates effects on derivatives, net	(24,846)	(19,213)	(14,865)	(12,638)
Income tax paid	(269)	(498)	(404)	(365)
Net cash provided by operating activities	333,314	327,452	277,060	194,660
Purchases / sales of property, plant and equipment and intangible assets				
Purchases of property, plant and equipment and intangible assets	(124,625)	(147,720)	(93,758)	(89,913)
Increase / (decrease) in amounts due to fixed asset suppliers	(9,446)	(10,518)	(18,009)	(5,665)
Cash paid for investment securities, net of cash acquired	(1,281)	—	—	—
Net cash used in investing activities	(135,352)	(158,238)	(111,767)	(95,577)
Redemptions and repayments				
Long-term debt	(388)	(232)	(179)	(68)
Other changes				
Dividends paid	—	(300,000)	—	—
Net cash used in financing activities	(388)	(300,232)	(179)	(68)
Net change in cash and cash equivalents	197,574	(131,018)	165,114	99,015
Cash and cash equivalents at the beginning of the period	206,528	404,536	404,536	274,108
Cash and cash equivalents at the end of the period	404,536	274,108	569,257	372,466

Net Cash Flow from Operating Activities

Net cash provided by operating activities for the nine months ended September 30, 2011 was CHF 194.7 million. Our net cash flows provided by operating activities for the nine months ended September 30, 2011 included net income of CHF 81.9 million and depreciation and amortization of CHF 144.8 million. Net working capital increased by CHF 32.9 million for the nine months ended September 30, 2011, principally reflecting an increase in trade receivables of CHF 35.8 million, itself mainly due to higher IOT discounts receivable and higher postpaid customer receivables. Trade payables have been negatively impacted by accelerated payments to suppliers, ahead of the upgrade of the ERP system in October 2011. We define net working capital as the sum of inventories, trade receivables, trade payables, other receivables and other payables. IOT discounts receivables and payables are recorded in trade receivables and trade payables, respectively.

For the nine months ended September 30, 2010, net cash flows provided by operating activities included net income of CHF 80.4 million and depreciation and amortization of CHF 140.1 million. For the nine months ended September 30, 2010, our net working capital decreased by CHF 44.9 million, primarily due to a decrease in inventories of CHF 17.1 million, itself mainly due to our inventory reduction program implemented from the beginning of 2010, and a decrease in trade receivables in the amount of CHF 10.7 million, mainly resulting from the settlement of outstanding receivable balances by FT Group affiliate companies. In addition, other receivables decreased by CHF 12.3 million mainly due to a change in the commission payment scheme impacting prepaid expenses from August 2010 onwards (the impact of this change on net working capital was limited by the inclusion of the counterpart of the decrease in prepaid expenses in trade payables).

We generated net cash from operating activities of CHF 327.5 million for the year ended December 31, 2010. Our net cash provided by operating activities for the year ended December 31, 2010 included net income of CHF 95.8 million and depreciation and amortization of CHF 183.3 million. Net working capital was CHF 35.7 million for the year ended December 31, 2010, principally reflecting a decrease in trade accounts receivable of CHF 45.7 million, itself due to improvements in our collection process in 2010, offset in part by a decrease in trade payables of CHF 41.8 million due to the timing of the payment of brand and corporate fees to the France Telecom group. In addition, other receivables decreased by CHF 18.4 million, as a result of the change in the commission payment scheme impacting prepaid expenses.

For the year ended December 31, 2009, net cash flows provided by operating activities included net income of CHF 81.3 million and depreciation and amortization of CHF 214.8 million. We had a net working capital decrease of CHF 35.8 million for the year ended December 31, 2009, principally due to higher IOT discounts payable following the increase of gross-inter-operator tariffs and related discounts partly offset by an increase in inventories, mainly resulting from increasing smartphones inventories following disappointing sales in the last quarter of 2009.

Net Cash Flow Used in Investing Activities

For the year ended December 31, 2010, net cash used in investing activities was CHF 158.2 million, compared to CHF 135.4 million for the year ended December 31, 2009. Net cash used in investing activities for the nine months ended September 30, 2011 and 2010 was CHF 95.6 million and CHF 111.8 million, respectively. Net cash used in investing activities during the period under review principally related to our network and IT capital expenditure plans. See “—Capital Expenditures and Investments.”

Net Cash Flow Used in Financing Activities

For the year ended December 31, 2010, net cash used in financing activities was CHF 300.2 million, compared to CHF 0.4 million for the year ended December 31, 2009. Net cash used in financing activities for the nine months ended September 30, 2011 and 2010 was CHF 0.1 million and CHF 0.2 million, respectively. We used net cash of CHF 300.2 million in financing activities for the year ended December 31, 2010, principally reflecting a cash outflow of CHF 300 million as a result of a dividend payment made to shareholders in 2010.

Certain Other Contractual Commitments

The following table summarizes our contractual commitments likely to have a material effect on our current or future financial position as of December 31, 2010, excluding the contractual obligations set forth under “Description of Certain Financing Arrangements.”

Payments due by period	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
	(CHF in thousands)						
Rental commitments ⁽¹⁾	52,192	43,290	27,655	20,793	15,152	31,528	190,609
Investments in goods and services purchase commitments	155,345	395	—	—	—	—	155,740
Total contractual obligations	207,537	43,685	27,655	20,793	15,152	31,528	346,349

(1) Rental commitments primarily relate to rental commitments in respect of property (offices, shops, loans and network sites), vehicles, office equipment and other commitments.

Capital Expenditures and Investments

The following table shows our capital expenditures defined as additions of property, plant and equipment and intangible assets for the years ended December 31, 2009 and 2010 and for the nine months ended September 30, 2010 and 2011:

	Year ended December 31,		Nine months ended September 30,	
	2009	2010	2010	2011
	(CHF in thousands)			
			(Unaudited)	
Property, plant and equipment	76,514	83,313	52,862	54,933
Intangible assets	48,111	64,407	41,645	34,980
Total capital expenditure	124,625	147,720	93,758	89,913

For the nine months ended September 30, 2011, our capital expenditures amounted to CHF 89.9 million, of which CHF 54.9 million related to property, plant and equipment and CHF 35.0 million related to intangible assets. In comparison, for the same period in 2010, our capital expenditures amounted to CHF 93.8 million, of which CHF 52.9 million related to property, plant and equipment and CHF 41.6 million related to intangible assets. The lower level of capital expenditures over the nine months ended September 30, 2011 was mainly driven by lower expenditure on our IT infrastructure.

For the year ended December 31, 2010, our capital expenditures amounted to CHF 147.7 million, of which CHF 83.3 million related to property, plant and equipment and CHF 64.4 million related to intangible assets. Capital expenditures during the year ended December 31, 2010 mainly related to investments in our network and IT. In addition, transmission network capital expenditure increased due to mobile data growth.

For the year ended December 31, 2009, our capital expenditures amounted to CHF 124.6 million, of which CHF 76.5 million related to property, plant and equipment and CHF 48.1 million related to intangible assets. Capital expenditures during the year ended December 31, 2009 were reduced owing to the proposed merger with Sunrise, which was expected to result in significant cost synergies in both network and IT. Since the cancellation of the merger, capital expenditure has increased and is expected to further increase in order to achieve a network modernization and to expand our own shop network.

We launched a radio access network replacement program during the first half of 2011 to improve our 2G and 3G access network quality, capacity and coverage, including implementing new data functionality and rationalizing the access network.

We estimate that our total capital expenditures for the year ended December 31, 2011 were approximately CHF 142 million, which related primarily to expenditures on our network (including the radio access network swap and renewal program) as well as IT. See “*Business—Network and Infrastructure.*”

Quantitative and Qualitative Disclosures about Market Risk

We are, and upon completion of the Transactions will be, exposed to various market risks, including interest rate, foreign currency exchange rate, credit and liquidity risks associated with our underlying assets, liabilities, forecast transactions and firm commitments. Our treasury department is responsible for managing exposure to market risk that arises in connection with operations and financial activities, including interest rate, foreign currency exchange rate, credit and liquidity and credit risk management.

The following sections discuss our significant exposures to market risk. The following discussions do not address other risks that we face in the normal course of business, including country risk and legal risk.

Interest Rate Risk Management

We manage our net exposure to interest rate risk through the proportion of fixed rate financial debt and variable rate financial debt in our total financial debt portfolio. To manage this mix, the Company may enter into interest rate swap agreements, in which it exchanges periodic payments based on a notional amount and agreed-upon fixed and variable interest rates and into forward contracts, in which it exchanges fixed amounts of foreign currency and fixed amounts of Swiss francs.

Upon completion of the Transactions, we will be exposed to market risks as a result of changes in interest rates, particularly in relation to floating-rate indebtedness, including borrowings under the Senior Facilities

Agreement. Financial liabilities issued at floating rates will expose us to cash-flow interest rate risk, while financial liabilities issued at fixed rates expose us to fair value interest rate risk. To manage the exposure to changes in interest rates under the Senior Facilities Agreement and to lower the overall costs of financing, we expect to generally use interest rate swaps to exchange the interest rate exposure on a portion of the indebtedness outstanding under the Senior Facilities Agreement from a floating interest rate to a fixed interest rate.

Foreign Exchange Rate Risk Management

We operate mainly in the currency of the primary jurisdiction in which we operate, the Swiss franc. The exposure to currency risk has therefore been limited.

As much as possible, we use foreign currency inflows for our foreign currency outflows. If necessary, we buy foreign currency shortly before the transaction. If any material exposure arises, we may enter into foreign exchange rate hedging instruments.

To manage our exchange rate exposure in respect of the Floating Rate Senior Secured Notes, the Senior Notes and indebtedness outstanding under the Senior Facilities, we expect generally to enter into hedging foreign exchange transactions to effectively exchange a portion of our payment obligations for interest, principal, amortization and premium, if any, of such indebtedness from euros to Swiss Francs. We believe such foreign exchange hedging transactions will enable us to match the currency of our interest expense to the currency of our revenues more accurately.

Credit Risk Management

Financial instruments that could potentially subject us to concentrations of credit risk consist primarily of cash, trade receivables and securities, investments and deposits.

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 a broad range of business customers). In addition, the maximum value of the credit risk on these financial assets is equal to their recognized net book value.

Prior to the Acquisition, cash was historically centralized at the France Telecom group level through cash pooling. After the Transactions, we will have a stand-alone cash management function.

We seek to minimize credit risk through a preventative credit check process that ensures that all subscribers requesting new products and services or changes to existing services are reliable and solvent. We also seek to minimize credit risk by preferring contracts that provide for the use of automatic payment methods with the aim of reducing the underlying credit risk, however, the use of direct debit is generally unpopular in the Swiss market. This control is carried out at the time of subscriber acceptance through the use of internal and external information.

We additionally exercise timely pre- and post-subscriber acquisition measures for the purpose of credit collection such as the following:

- attribution of a rating to new customers at subscription through the credit check (to anticipate default payment, different measures may be implemented: deposits or advanced payments can be required to customers, limitation to prepaid offers, etc.);
- sending reminders to subscribers;
- employing measures for the collection of overdue receivables, separated by strategy, portfolio and subscriber profiles (penalties, reconnection letter with an option for a new contract, etc.); and
- measuring and monitoring debt collection status through our internal reporting tools.

The following table provides the aging analysis of billed trade receivables as of December 31, 2010 and September 30, 2011.

	At December 31, 2010	At September 30, 2011
	Gross Amount	
	(Unaudited)	
	(CHF in thousands)	
Gross trade receivables past due:		
under 60 days	26,720	36,757
60-120 days	4,283	5,632
over 120 days	6,523	4,119
Total gross trade receivables past due	37,526	46,508
Trade receivables not past due	235,544	262,367
Total gross trade receivables	273,070	308,875
Provision for doubtful debts	(4,611)	(4,340)
Net trade receivables	268,459	304,535

We also receive guarantees, including sureties issued by primary banks, as collateral for the obligations resulting from supplies to, and receivables from, dealers.

Due to the diverse portfolio of products and services we provide, credit concentration is limited.

On the dealer side, we have a certain degree of concentration offset by bank guarantees, credit limits delivered by credit insurers and the timing of payment of commissions after the activation of a new subscriber. Concentration of credit risk relating to accounts receivable from subscribers is limited due to their large number. For accounts receivable from foreign telecommunications operators, the concentration of credit risk is also limited due to netting agreements with accounts payable to these companies, prepayment obligations, imposed bank guarantees and credit limits delivered by credit insurers.

Credit risk relating to cash and cash equivalents, derivative financial instruments and financial deposits and money market funds arises from the risk that the counterparty becomes insolvent and, accordingly, is unable to return the deposited funds or execute the obligations under the derivative transactions as a result of the insolvency.

To mitigate this risk, wherever possible we conduct transactions and deposit funds with investment-grade rated financial institutions and monitor and limit the concentration of our transactions with any single party.

Our maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event the counterparty fails to perform its obligations in relation to each class of recognized financial assets is the carrying amount of those assets as indicated on our balance sheet.

Liquidity Risk

Liquidity risk arises mostly in connection with cash flows generated and used in financing activities, and particularly by servicing debt, in terms of both interest and capital, and from all of our payment obligations that result from business activities. Our liquidity management policy involves minimizing the available cash on a daily basis. The reimbursement capacity is reviewed annually. An adjustment during the year would be possible in case of necessity.

In general, we manage our liquidity risk by monitoring our cash flow and rolling liquidity reserve forecast in order to ensure that we have sufficient committed facilities to meet our liquidity needs.

Critical Accounting Estimates

The preparation of our financial statements requires our management to make assumptions that affect the reported amount of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the fiscal period. Estimates and judgments used in the determination of reported results are continuously evaluated.

Estimates and judgments are based on historical experience and on various other factors that are believed to be reasonable in the circumstances. Actual results may differ from these estimates under different assumptions or conditions. Our significant accounting policies are set out in note (1) to our consolidated financial statements for the year ended December 31, 2010 included elsewhere in this Prospectus. The following estimates and judgments are considered important to understand our financial position.

Intangible Assets

Intangible assets consist mainly of licenses, content rights, indefeasible rights of use, patents, development costs and software. Intangible assets are initially recognized at their acquisition or production cost. When intangible assets are acquired in a business combination, their cost is generally determined in connection with the purchase price allocation based on their respective market value. When their market value is not readily determinable, cost is determined using generally accepted valuation methods based on revenues, costs or other appropriate criteria.

Intangibles are amortized on straight-line basis over their expected useful life. Licenses to operate mobile telephone networks are amortized over the license period from the date when the network is technically ready and the service can be marketed. Network equipment licenses and rights are amortized on a straight-line basis over a period of 5-10 years. Intangible assets related to internal and external software developments are amortized over a period from 3-5 years. See note (2) to our consolidated financial statements for the years ended December 31, 2009 and 2010 included elsewhere in this Prospectus.

Income and Deferred Taxes

We measure current tax at the amount expected to be paid or recovered from the taxation authorities of each country, based on our interpretation of tax legislation.

Deferred taxes are recognized for all temporary differences between the book values of assets and liabilities and their tax basis, as well as for unused tax losses, using the liability method taking into account the tax rates, which are enacted or substantially enacted at the end of the reporting period. Deferred tax assets are recognized only when their realization is considered probable. See note (2) to our consolidated financial statements for the years ended December 31, 2010 and 2009 included elsewhere in this Prospectus.

Provisions for Dismantling and Restoring Sites

We are required to dismantle equipment and restore sites. The provision is measured at the best estimate of the amount required to settle our obligations (on a per site basis for mobile antennas). These dismantling costs are calculated on the basis of the identified costs for the current financial year, extrapolated for future years using the best estimate of future trends in prices, inflation and other variables, and are discounted at a risk-free rate, based on market yields on high quality corporate bonds (or on government bonds when no corporate bonds are appropriate to use for these purposes). We revise this estimate at the end of each reporting period and adjust it, when appropriate. The asset to which the provision relates is also adjusted for the corresponding amount.

New Accounting Standards

IASB has published the following new accounting standards (IFRSs) and interpretations (IFRICs) that become effective for 2011 or later, but have not yet been approved by the EU:

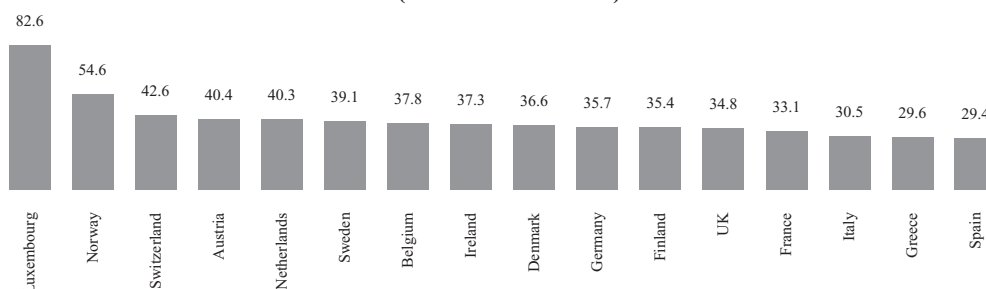
- IFRS 7 (amendment) Disclosures—Transfers of financial assets
- IFRS 9 Financial instruments
- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosures of interests in other entities
- IFRS 13 Fair value measurement
- IAS 1 (amendment) Presentation of financial statements—Presentation of items of other comprehensive income
- IAS 12 (amendment) Income taxes—Recovery of underlying assets
- IAS 19 (amendment) Employee benefits
- IAS 27 (revised) Separate financial statements
- IAS 28 (revised) Investments in associates and joint ventures.

INDUSTRY OVERVIEW

Switzerland's resident population was 7.9 million at December 31, 2010, according to the Swiss Federal Statistics Office. This corresponds to a population density of approximately 196 inhabitants per square kilometer (Source: World Bank), which is higher than the population density in the EU countries of approximately 116 inhabitants per square kilometer according to eurostat. Switzerland combines urban agglomerations such as Zurich, Geneva, Basel, Bern and Lausanne with rural, often mountainous, areas with low population density. According to the Swiss Federal Statistical Office, the population at the end of 2010 was distributed across age groups as follows: 20.9% aged 0-19 years, 26.7% aged 20-39 years, 35.6% aged 40-64 years and 16.8% over 65 years and was split between Swiss (77.6%) and foreign residents (22.4%).

Switzerland is one of the wealthiest countries in Europe. According to data derived from the Swiss Federal Statistics Office, Switzerland had an estimated GDP per capita (at purchase price parity exchange rates) of \$43,320 for 2010, which was higher than the estimated average for the euro area of \$32,671 for the same period, according to the IMF. The Swiss economy proved itself to be relatively robust through the recent economic crisis compared to many other European economies. According to the IMF, the Swiss economy experienced real GDP growth of 2.1% in 2008, a decline of 1.9% in 2009 and growth of 2.7% in 2010 compared with growth of 0.4% in 2008, decline of 4.3% in 2009 and growth of 1.8% in 2010 across the eurozone. Historically, Switzerland also has one of the lowest unemployment levels in Europe, with the IMF reporting a 2010 unemployment rate of 3.64%, compared to the eurozone average of 10.13%. Switzerland provides an attractive market for telecommunications companies, as the average amount spent per household on mobile services is among the highest in Europe. According to Gartner (in *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11 update, G00225719*), the Swiss consumer spent \$551 per year on average for mobile services in 2010 compared to a Western European average of \$388 (based on Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden and United Kingdom). However, Swiss wireless expenditure, which amounted to \$4.4 billion in 2010 (source: *IDC Worldwide Black Book Q3-2011, December 2011*), represented 1.1% of GDP, in line with Western European average, where expenditure was 1.1% of GDP as well (\$155.0 billion).

GDP per capita at PPP exchange rates, by country (2010 estimates)
(US dollar in thousands)



Source: CIA World Fact Book, November 2011

The current structure of the Swiss telecommunications market was established in the late 1990's, when Swisscom was created from the state-owned post and telecoms monopoly. Since the late 1990s, mobile licenses have been offered to new market entrants to stimulate competition. Similarly, cable companies have been permitted to develop cable networks to compete in the landline segment. The Swiss Telecommunications Act came into force in 1998, and was revised in 2007, leading to a further liberalization of the Swiss telecommunications market.

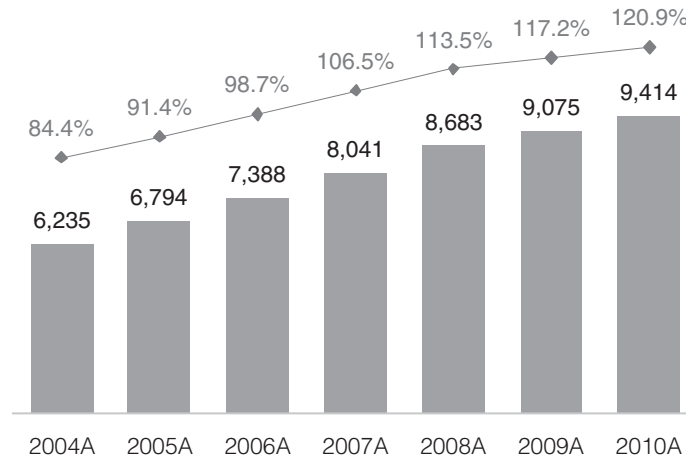
While Switzerland is not a member of the European Union and is, therefore, not subject to the EU telecommunications regulation, the liberalization of the Swiss telecommunications market has moved largely in parallel with the deregulation in the EU, and it is likely to develop further in line with developments in the EU. However, there are some conceptual differences, the most important being (i) the *ex-post* regulation in Switzerland as opposed to the *ex-ante* regulation as applicable in the EU, making it necessary for operators to first negotiate the conditions of access and only allowing an intervention of the regulator on request if such negotiations fail, (ii) the technology-limited Local-Loop Unbundling ("LLU") regime in Switzerland, under which access at Long-Run Incremental Cost ("LRIC") conditions is granted only to the incumbent's copper infrastructure but not to other access technologies, such as fiber networks, and (iii) the lack of specific regulation on international and national roaming in Switzerland.

Today, the Swiss telecommunications market is highly developed by international standards and characterized by a wide range of voice and data communications services.

Swiss Mobile Market

In 2010, when adding the mobile revenues of Orange, Swisscom and Sunrise, the Swiss mobile sector generated revenues of approximately CHF 6.6 billion in 2010 representing an increase of 4% from CHF 6.3 billion in 2009. TeleGeography reports that the number of mobile phone connections in Switzerland grew by 3.7% in 2010 to reach 9.4 million mobile phone connections as of December 31, 2010.

Subscribers and penetration rate evolution



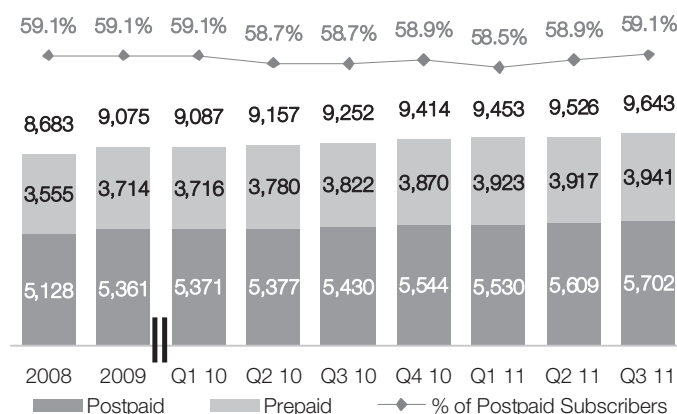
Source: TeleGeography

The number of mobile subscribers is greater than the resident population, among other things due to subscribers owning multiple SIM cards for mobile computers, smartphones SIM cards for mobile computers, smartphones and other devices and non-resident (visitors) subscribers and subscribers that are legal entities. According to TeleGeography, the mobile penetration rate in Switzerland at the end of 2010 was 121%, which is below the Western European average of 128% (based on France, Germany, Italy, Spain, Portugal, the United Kingdom, Austria, Ireland, Belgium, the Netherlands and Luxembourg). According to Gartner (in *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11 update G00225719*), the number of mobile subscribers in Switzerland is expected to reach 11.7 million in 2015 compared to 9.4 million in 2010 representing a 4.5% compound annual growth rate over the period from 2010 to 2015.

One of the factors behind the stability of the Swiss mobile market is a large proportion of postpaid subscribers, with the mix between postpaid and prepaid subscribers being relatively stable over the last two years. According to TeleGeography, 59.1% of subscribers are postpaid as of September 30, 2011.

Evolution of postpaid / prepaid subscriber mix 2008-Q3'11

(in thousands of subscribers)



Source: TeleGeography

The Swiss mobile market has one of the highest ARPU levels in Europe. According to Gartner (in *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11 update G00225719*), the average Swiss mobile consumer spent USD 46 per month in 2010, compared with the Western European average of USD 32 per month (based on Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden and United Kingdom).

Comparison of mobile ARPU in Western European countries in 2010

(\$ per month)

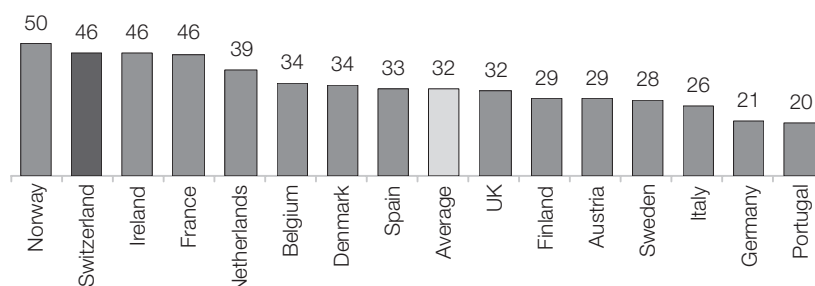


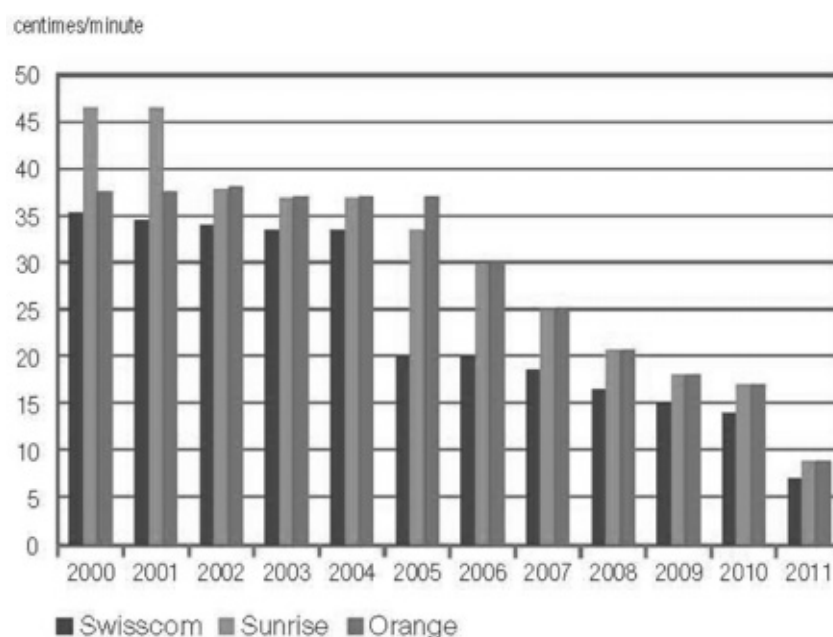
Chart based on Gartner research

Source: Gartner, *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11 update G00225719*

According to Gartner (in *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11, update G00225719*), the Swiss ARPU decreased by 11% between 2007 and 2010 from USD 52 to USD 46 per month. In comparison, the mobile ARPU in Western European markets decreased by 15% on average from USD 38 to USD 32 per month. According to forecasts from Gartner, Switzerland is expected to have the second highest ARPU in Western Europe in 2015 behind Norway but well ahead of the Western European average.

The decline of ARPU was primarily due to mobile price reductions driven predominantly by competition from other MNOs, wholesale resellers and MVNOs, alongside decreases in MTRs. However, MTRs and ARPU levels in Switzerland remain among the highest in Europe. While MTRs in Switzerland have followed, and are expected to continue to follow, the decline in MTRs applicable in the EU countries such decline has generally in the past followed a slower pace.

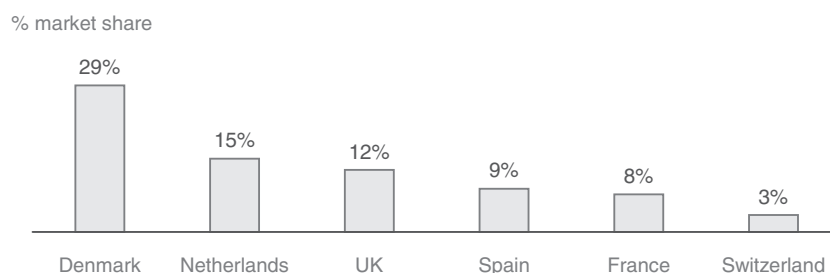
In October 2010, the three nationwide Swiss MNOs agreed to reduce MTRs valid until June 30, 2012 by approximately 45%, compared to the MTRs applicable in 2010. The following chart shows the evolution of MTRs.



Source: ComCom 2010 Annual Report (original source: Swisscom)

High levels of ARPU are supported by customer focus on quality of services provided rather than price. This is further reinforced by the low subscriber market share of MVNOs compared to European benchmarks. According to management estimates, the market share of MVNOs in the Swiss mobile market was 3% as of December 31, 2010.

Market share of MVNOs



Source: Management estimates for Switzerland; for all other countries, data published by relevant regulatory authorities

Mobile data traffic has shown significant growth, driven primarily by smartphone uptake and increased usage of mobile broadband and data intensive applications. According to Gartner (in *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11, update G00225719*), the total data revenues in Switzerland in 2010 was USD 1.4 billion and this could increase to USD 3.5 billion by 2015. In addition Gartner reports (in *Forecast: Mobile Devices, Worldwide, 2007-2015, 4Q11, update G00223030*) that 43% of the mobile devices sold in Switzerland in 2010 were smartphones (“premium communication devices” under Gartner terminology). This percentage is set to increase to 75% in 2013 and 90% in 2015. This trend should positively impact ARPU levels.

Smartphones (“premium communication devices”) as a percentage of mobile device sales to end users

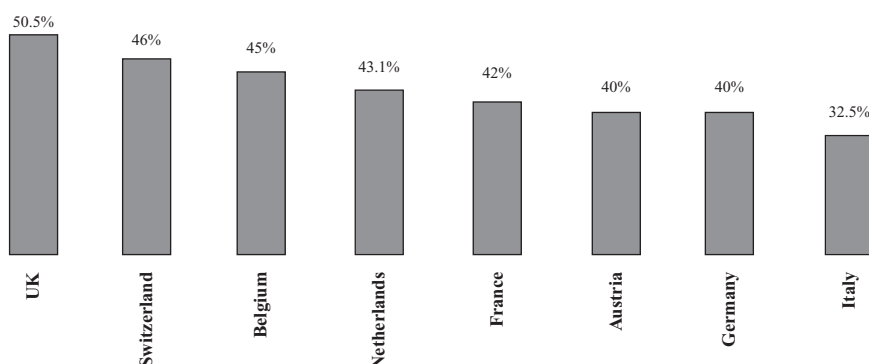


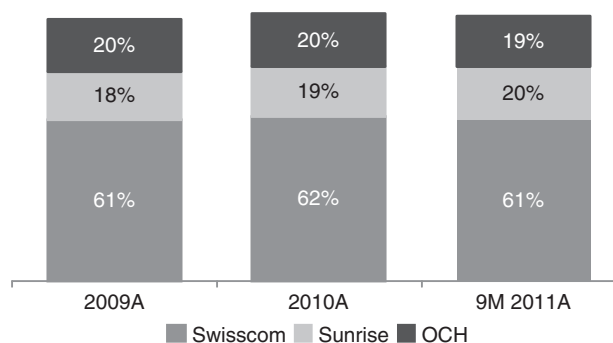
Chart based on Gartner research

Source: Gartner, *Forecast: Mobile Devices, Worldwide, 2008-2015, 4Q11, update G00223030*

The three nationwide MNOs in Switzerland are Swisscom (57% owned by the Swiss Confederation), Sunrise (fully owned by CVC Capital Partners) and Orange with respective market shares of 62.0%, 21.4% and 16.6% based on subscribers at December 31, 2010. However, based on mobile revenues¹ which takes into account the differences between ARPU for the nine months ended September 30, 2011, Swisscom commands 61% market share followed by Sunrise and Orange at 20% and 19% respectively. Another MNO, In&Phone, is a small business-focused operator without a nationwide network with immaterial market share. For the nine months ended September 30, 2011 our mobile blended ARPU was CHF 55 / month vs. CHF 48 / month and CHF 46 / month for Swisscom and Sunrise respectively. Over the last two years the revenues market shares have been stable, reflecting a stable competitive environment.

¹ Total mobile market revenues is based on the sum of mobile revenues of Swisscom, Sunrise and Orange but excluding In&Phone.

Revenues market share evolution in the Swiss mobile market 2009-9M'11



Source: Companies reports. See "Presentation of Financial and Other Data—Market, Economic and Subscriber Data; Market Share Data"

Previously, Telefonica and TelCom (Tele2) also held mobile telecommunications licenses. While ComCom has withdrawn the license from Telefonica in 2006 since the telecom operator was not utilizing its license and not fulfilling the coverage conditions, TelCom (Tele2) surrendered its license in November 2008 after being acquired by Sunrise. In addition, there are wholesale resellers on all three mobile networks, including Coop (on our network). These wholesale resellers sell MNOs' services to subscribers and/or cooperate in the marketing of services pursuant to which MNOs enter into contracts directly with subscribers.

The final group of market participants are MVNOs which operate and are branded independently from the MNOs, but deliver their services over MNO networks under contractual agreement. MNOs are currently not, however, required to grant access to MVNOs under Swiss law. We have agreements to host a number of MVNOs, including Ortel, Transatel and Lycamobile (due to terminate in February 2012, unless extended to December 2012), as well as upc cablecom (public launch date uncertain). MVNOs contract directly with subscribers but rely on existing MNO networks to provide their services.

The MNOs provide 2G coverage utilizing GSM 900 MHz and/or 1800 MHz spectrum. Swisscom, Sunrise and Orange also provide 3G coverage across parts of their networks, having been awarded UMTS (2100 MHz) licenses in 2000. Further, since April 2010, GSM spectrum has been available for the provision of services based on UMTS (technological neutrality of allocated spectrum).

MHz	Orange	Sunrise	Swisscom	In&phone
900	2 x 6.6 MHz	2 x 15.4 MHz	2 x 12.2 MHz	
1800	2 x 25.6 MHz	2 x 15.4 MHz	2 x 17.2 MHz	2 x 5.8 + 2 x 8.8 ⁽²⁾ MHz
2100	2 x 15.0 MHz	2 x 15.0 MHz	2 x 15.0 + 2 x 5.0 ⁽¹⁾ MHz	

Current spectrum allocation (frequency division duplexing). Source: ComCom, OFCOM

(1). 2 x 5.0 MHz temporarily allocated in June 2010 until auction date

(2). 2 x 8.8 MHz temporarily allocated in June 2010 until auction date

On November 26, 2010 ComCom launched a competitive tender process for the allocation of radio frequencies for the provision of mobile telecommunications services in Switzerland (not including microwave licenses). The auction will cover the re-allocation of all frequencies in the 900 MHz/1800 MHz frequency band (GSM) and in the 2100 MHz band (UMTS core band), as well as the allocation of further frequencies in the 800 MHz and 2600 MHz LTE bands. See "Regulation – Mobile Regulatory Environment – Spectrum Auction 2012" for further details of the spectrum auction.

Swiss Landline Market

We do not have our own landline network infrastructure to provide landline fixed voice and broadband services. Currently, we provide our broadband internet and landline voice services based on a reseller agreement and carrier pre-selection agreement with VTX Services SA that itself entered into a wholesale agreement with Swisscom.

Fixed Voice

According to TeleGeography, there were almost 3.4 million of Public Switched Telephone Network ("PSTN") lines in use in Switzerland as of end of December 2010. This figure is set to decrease over the next

four years. According to ComCom, the fixed voice network is preferred by customers making longer calls, with the average call time on a fixed telephone (four minutes) in 2009 being twice the length of the average mobile telephone call. Customers are, therefore, quite sensitive to pricing on fixed networks, but are also driven by brand loyalty and quality considerations.

Swisscom has historically dominated landline voice services and, according to ComCom, in 2010 had a market share of approximately 68%. However, competitors, such as Sunrise – which, according to ComCom, has a market share of 15% – are now able to resell Swisscom’s products or establish their own networks through “unbundling” Swisscom’s local loop network. Fixed voice services are also provided through broadband cable infrastructure. In cable, only upc cablecom has significant scale on a national level. Our landline offering allows our customers, whose telephone lines are usually maintained by another landline operator, such as Swisscom, to have their calls routed across the network and services of VTX Services SA whose services we resell.

Landline telephone customers in the business market are also served by various pan-European operators. These players have built fiber-optic metropolitan area networks in some of Switzerland’s largest cities, attracted by a high concentration of financial institutions and non-governmental organizations (“NGOs”). The leading players include COLT, France Telecom (Orange Business Services), Interoute, T-Systems and Verizon Business.

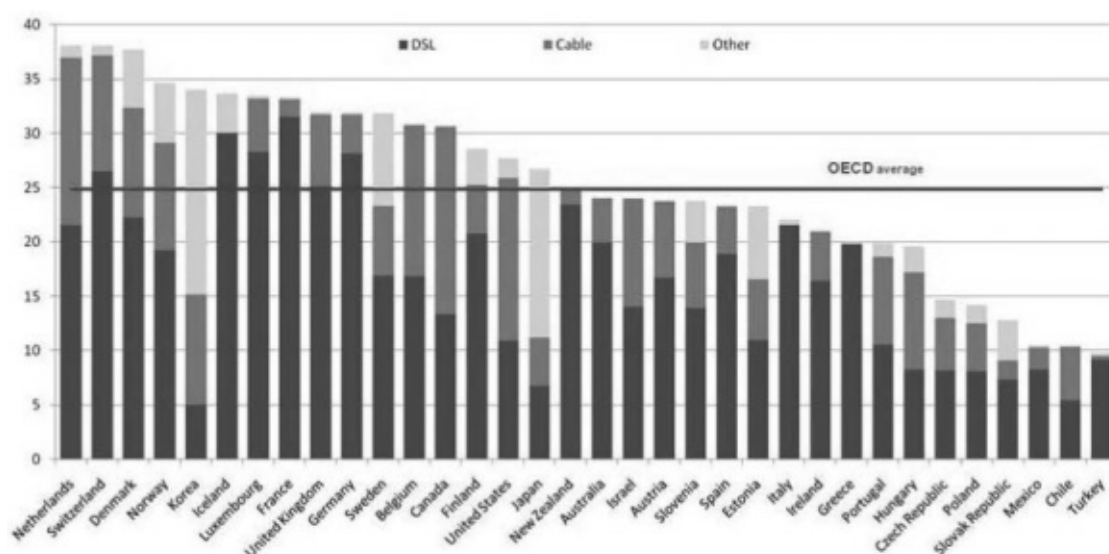
Broadband Internet

According to ComCom, there were 2.9 million broadband internet connections in Switzerland at the end of 2010 – an increase of 5.8% on the previous year. Landline broadband internet connections can be established via various access technologies, including DSL, cable modem, FTTH and public WLAN access points. According to ComCom, at December 2010, over 70% of all broadband connections were DSL connections.

According to TeleGeography, Swisscom leads the broadband internet market with a 53.6% of subscriber market share as of September 2011, with competition mainly coming from Sunrise and upc cablecom with 12.0% and 17.6% of subscriber market share respectively. In addition, there are smaller operators, such as VTX Services SA, that resell Swisscom’s products or operate via respective LLU networks. Under the Swiss Telecommunications Act, Swisscom is required to grant other providers fast bit-stream access as a regulated service in a non-discriminatory manner and at cost-based prices during a certain period from launch of the relevant service. See “*Regulation*.” We are reselling the services of VTX Services SA who entered into a wholesale agreement with Swisscom; such agreement is not subject to regulation.

According to Business Monitor International (in *Switzerland Telecommunications Report Q4 2011*), the strong uptake of 3G mobile broadband services has had a significant impact on the dynamics of broadband technologies in Switzerland. Although there is no official data on the market share of mobile broadband services, subscriber figures published by the operators suggest the technology is set to become the dominant form of internet access in Switzerland.

OECD fixed (wired) broadband penetration, December 2010 (as % of population)



Source: ComCom (Original Source: OECD)

BUSINESS

Overview

We are one of the three nationwide mobile network operators in Switzerland. We estimate that for the nine months ended September 30, 2011 our share of the Swiss mobile telecommunications market was approximately 19% based on revenues and 16.4% by number of subscribers. We operate in attractive economic, competitive and regulatory environments and own an extensive, high-quality mobile telecommunications network infrastructure, which, together with our higher-value, predominantly postpaid subscriber base, our attractive market positioning and renewed product portfolio, give us an attractive value position. Besides Switzerland, we also operate in the Principality of Liechtenstein, where we are the second largest mobile network operator behind Swisscom based on number of subscribers.

We offer mobile voice, non-voice and mobile broadband products and services to residential and business customers. With our mobile telecommunications offerings, both postpaid and prepaid, we aim to offer our own branded products and services that are simple to use, flexible and easy to understand, and to offer value for money by enabling the customers to customize their price plan. We also market mobile telecommunications services through wholesale resellers and to MVNOs with their respective brands on our mobile network to target different customer segments. We further offer fixed-voice, broadband internet products and services on the basis of a wholesale reseller agreement, as well as mobile TV and over-the-top (OTT) TV products and services. Finally, we offer other products and services, such as, among others, a portfolio of customer care services (Orange Care).

For the nine months ended September 30, 2011 our mobile telecommunications offerings generated 96.2% of total revenues (split between network revenues (89.2%) and equipment revenues (7.0%)), with the remainder comprised of fixed line revenues (0.7%) and other revenues (3.1%).

In the past we have focused primarily on the postpaid customer segment, which represented 82.8% and 85.4% of our network revenues for the year ended December 31, 2010 and for the nine months ended September 30, 2011, respectively. Within that segment our principal focus has been higher-value residential customers, as well as SoHo and SME business customers. Since the beginning of 2010, we have expanded our product offering to target a broader range of customers. In August 2010, we launched “Orange Me”, a new postpaid offering for residential customers, SoHo and SME. In 2011, we reinforced the postpaid portfolio to target additional postpaid customer segments, in particular young customers (Orange Young), and renewed our prepaid offering, with the launch of Orange Me PrePay in October 2011.

We provide mobile services through our own 2G and 3G mobile telecommunications access network throughout Switzerland and Liechtenstein. In addition to our mobile telecommunications access network, we have a transmission network including a mobile backhaul network, a national transmission backbone network (core transport network) and an IT/corporate data network comprising of owned, leased and rented infrastructure. We do not operate our own dedicated landline network infrastructure to provide fixed-voice and broadband internet products and services, but provide such products and services on the basis of a reseller agreement with VTX Services SA.

We have historically marketed our products and services through the *Orange* brand. On December 23, 2011, we entered into a brand license agreement with Orange Brand Services Limited that will become effective on the Acquisition closing date. Under the terms of the agreement, we will have a license to the *Orange* brand for a period of three years, which will subject to certain conditions being satisfied, renew automatically for an additional two-year period. We currently intend to continue to use the *Orange* brand and to carry out a rebranding process within approximately eighteen months of the Completion Date. As our rights under the brand license may continue for up to five years, however, we may decide to change the timing or scope of our rebranding plans in the future.

We distribute our products and services in Switzerland both directly through a network of approximately 80 of our own shops, the Internet and further direct marketing channels, as well as indirectly through partners' point-of-sales and a network of non-exclusive distributors. We expect to develop further our direct distribution network by opening a number of additional point-of-sales and expanding telesales operations. Resellers and MVNOs on our network generally distribute mobile telecommunications services through their own distribution network and channels.

For the year ended December 31, 2010, we generated total revenues of CHF 1.3 billion, EBITDA of CHF 313.6 million and Adjusted EBITDA of CHF 351.6 million. For the nine months ended September 30, 2011, we generated total revenues of CHF 923.2 million, EBITDA of CHF 240.4 million and Adjusted EBITDA of CHF 264.1 million. For the twelve months ended September 30, 2011, we generated total revenues of CHF 1.2 billion, EBITDA of CHF 311.7 million and Adjusted EBITDA of CHF 339.8 million.

Our Strengths

We believe that the following strengths will allow us to execute our strategy. See “*Business—Our Strategy*.”

Supportive Economic, Competitive and Regulatory Environment

We generate almost all of our revenues and net income from Switzerland, one of the wealthiest countries in the world in terms of GDP per capita. Switzerland’s “AAA” rating from the three main rating agencies reflects its high average income generated by a highly developed economy, a robust and transparent institutional framework, a stable consensus-based political system and fiscal discipline. Switzerland had GDP per capita of \$43,320 for 2010 (based on purchasing power parity), compared to an estimated average for the eurozone of \$32,671 for the same period according to the IMF. Switzerland has also one of the lowest unemployment levels in Europe, with the IMF reporting a 2010 unemployment rate of 3.64%, compared to the eurozone average of 10.13%. The Swiss institutional strength is illustrated by its scoring in the 98th percentile of the World Bank’s indicator of “Government Effectiveness” and in the 96th percentile regarding “Rule of Law” in 2010, its longstanding political stability and its well established culture of consensual decision-making. Switzerland enjoys a comfortable net foreign asset position (130% of GDP at the end of 2009) and low public debt (38% of GDP in 2010). Underpinned by such solid fundamentals, the Swiss economy has achieved GDP growth of 2.1% in 2008, suffered one of the mildest declines among the OECD countries in 2009 (-1.9%) before expanding by 2.7% in 2010. In comparison, eurozone economies grew by 0.4% in 2008, declined by 4.3% in 2009 and grew by 1.8% in 2010.

The stability of the competitive environment in the Swiss mobile telecommunications market is supported by the presence of the market leading incumbent, Swisscom, with two other operators, Orange and Sunrise, holding substantial market shares. Since Orange entered the market in 1999, no new entrant has built out a nationwide network in Switzerland and the respective market shares of each of the three MNOs have remained relatively stable in the last five years. The fact that Swisscom is still majority state-owned is an additional factor of stability in the market. Swisscom’s share of the Swiss mobile subscriber market by number of subscribers was 63.0% at the end of 2005 and 62.0% at the end of 2010, Sunrise’s market share was 18.6% at the end of 2005 and 21.4% end of 2010, and our market share was 18.4% end of 2005 and 16.6% end of 2010. Our estimates show that market shares by revenues also remained relatively stable between December 31, 2009 and September 30, 2011. Swisscom’s share of the Swiss mobile subscriber market by revenues was 61% for the year ended December 31, 2009 and 61% for the nine months ended September 30, 2011, Sunrise’s market share was 18% for the year ended December 31, 2009 and 20% for the nine months ended September 30, 2011, and our market share was 20% for the year ended December 31, 2009 and 19% for the nine months ended September 30, 2011. See “*Presentation of Financial and Other Data—Market, Economic and Subscriber Data; Market Share Data—Market Share*.”

The regulatory environment in Switzerland in recent years has also contributed to market stability, with the Swiss regulatory authorities promoting industry self-regulation by agreement among operators rather than direct regulatory intervention. For example, mobile termination rates (MTRs) which mobile operators charge for calls terminating on their respective networks are determined through a bilateral agreement setting out MTRs between operators, rather than *ex ante* by a regulatory authority, as is the case in the EU. While mobile termination rates in Switzerland have followed, and are expected to continue to follow, the decline in mobile termination rates applicable in the EU countries, such decline has generally in the past followed a slower pace. See “*Regulation*.”

Resilient and Growing Market

The Swiss mobile telecommunications market has been relatively resilient to economic downturn in the past years. According to TeleGeography, the number of mobile telecommunications subscribers in Switzerland has grown by 8.0% between 2007 and 2008, by 4.5% between 2008 and 2009 and by 3.7% between 2009 and 2010. The resilient growth of the Swiss mobile telecommunications market in recent years has been supported by a number of factors. The Swiss mobile telecommunications market is primarily a postpaid market (with an estimated 60% of mobile subscribers being postpaid subscribers), which contributes to market stability. Further, penetration rates in Switzerland are still lower than in neighboring markets. According to TeleGeography, the mobile penetration rate in Switzerland at the end of 2010 was 121%, which is below the Western European average of 128% (based on France, Germany, Italy, Spain, Portugal, the United Kingdom, Austria, Ireland, Belgium, the Netherlands and Luxembourg). According to Gartner (in *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11, update G00225179*), the number of mobile subscribers in Switzerland is expected to reach 11.7 million in 2015 compared to 9.4 million in 2010 representing a 4.5% compound annual growth rate over the period from 2010 to 2015. In addition, Switzerland’s population growth created additional opportunity for subscriber growth. In 2008, Switzerland registered its biggest rise in years in the permanent-resident population

amid record immigration, with the total permanent-resident population growing 1.4%, reaching 7.7 million by the end of 2008. As of December 31, 2010, the population was nearly 7.9 million.

Significant Barriers to Entry

We believe that there are significant barriers to entry for potential new competitors in Switzerland, our core market. For a new market entrant, building a mobile telecommunications network in Switzerland is complex and time- and capital-intensive, primarily due to the difficult nature of the terrain, the need for local authority approval for each site and stringent environmental regulations which are embedded in the building permit and limit radiation levels well below the EU standards, thereby requiring a greater number of sites and base stations to achieve any given network coverage compared to most other countries. In recent years, no new entrant has successfully established itself on a national scale and the market shares of the three mobile network operators, Swisscom, Orange and Sunrise, have remained relatively stable. As a result, the Swiss mobile telecommunications market has proven to be a stable three-player market of national mobile network operators. For instance, ComCom withdrew Telefonica's 3G license in 2006 because it failed to fulfill coverage requirements and Tele2 failed to deploy a nationwide network and was ultimately acquired by Sunrise in 2008.

Although current mobile network operators have no automatic right of renewal of their licenses in the forthcoming spectrum auction, certain features of the auction, in particular high reserve prices for the auctioned licenses and minimum coverage obligations that would require a bidder without an existing network to incur significant network investments, may constitute significant barriers to entry for potential new competitors. See "*Regulation—Mobile Regulatory Environment—Spectrum Auction 2012*" for further details of the spectrum auction. In a press release of April 30, 2009, OFCOM explicitly stated that it rated the prospects of a new market entrant in connection with the re-allocation of mobile radio frequencies as only slight. In addition, once acquired the licenses to be awarded in the spectrum auction are not tradeable and will be valid until December 31, 2028.

Strong Market Share and Attractive Value Positioning

Together with Swisscom and Sunrise, we are one of the three mobile network operators in Switzerland with a nationwide network. According to our estimates, our market share among all three mobile network operators in Switzerland based on revenues for the first nine months ended September 30, 2011 was approximately 19%, while Swisscom and Sunrise commanded a 61% and 20% market share, respectively, for the same period. See "*Presentation of Financial and Other Data—Market, Economic and Subscriber Data; Market Share Data—Market Share.*" With approximately 62% of our subscribers as of September 30, 2011 being postpaid subscribers and approximately 60% of our postpaid subscribers using smartphones, we have established a firm position in the most attractive and profitable market segment and we believe we generated the highest blended ARPU in the Swiss mobile telecommunications market (CHF 55.2 for the nine months ended September 30, 2011, compared to CHF 48.0 for Swisscom and CHF 45.8 for Sunrise during the same period). Given the high level of disposable income in Switzerland, the Swiss mobile telecommunications market is generally characterized by one of the highest ARPU levels in Europe (together with Norway, France and Ireland) in absolute terms with the average Swiss mobile consumer spending \$551 in 2010, compared with the Western European average of \$388 (based on Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden and United Kingdom) according to Gartner (in *Forecast: Mobile Services, Worldwide, 2007-2015, 4Q11, update G00225719*). However, Swiss wireless expenditure, which amounted to \$4.4 billion in 2010 (source: *IDC Worldwide Black Book Q3-2011, December 2011*), represented 1.1% of GDP, in line with Western European average, where expenditure was 1.1% of GDP as well (\$155.0 billion).

We believe that our attractive positioning in the higher-end postpaid market segment provides us with a solid basis to target a broader range of customers and successfully increase our subscriber base in more mass-market segments, as the success of our recent commercial offerings illustrates.

Further, we have developed strong internal capabilities to host resellers and MVNOs and have established a dedicated business unit to manage our wholesale reseller and MVNO partners. In 2011, we have gained MVNO contracts with Ortel, Transatel, and upc cablecom, three companies with the potential to become important players in the MVNO market. The mobile telecommunications market is expected to become more diversified, with resellers and MVNOs addressing specific segments to play an increasingly important role. We believe that our internal capabilities and the organization we have in place position us well in the evolving MVNO and wholesale reseller market, and make us an attractive partner for MVNOs and wholesale resellers.

Extensive, High-Quality Network Infrastructure

We operate and own one of the three nationwide mobile telecommunications networks in Switzerland. According to a performance test conducted between March and August 2011 by cnlab for Kassensturz, a Swiss

consumer TV magazine, Orange provided 3G connectivity in about 80% of the consumer tests (compared to 91% for Swisscom and 64% for Sunrise) and our average download data rate as experienced by the consumers was 1.8Mbit/s (as compared to 2.1Mbit/s for Swisscom and 1.7Mbit/s for Sunrise). We also offer High Definition Voice (HD Voice) on our entire 3G network. We have the second best mobile network in Switzerland, behind Swisscom and ahead of Sunrise, according to the 2011 network performance study published by “connect” magazine that covered smartphone telephony, smartphone data, mobile broadband in cities and data on motorways.

We are further significantly strengthening our network to secure capacity for increasing data traffic, to optimize spectrum allocation, to offer improved EDGE capability, to extend our geographical coverage, to improve voice and data coverage and to make our network 4G LTE compatible. Under our investment plan, we will exchange and/or swap the access equipment on our entire 2G and 3G radio access network and upgrade it with multi-mode configuration by the end of 2012. By December 31, 2011 approximately 29% of the upgrade was completed. We anticipate that these network improvements when completed will, among other things, improve indoor and in-car performance by approximately 20% and our electricity consumption will be reduced by approximately 30% at constant traffic volume. See “*Business—Network and Infrastructure.*”

Resilient EBITDA and Strong and Stable Cash Generation

Our EBITDA has remained relatively stable since 2009 despite the decrease in MTRs during that period. At constant MTRs, our EBITDA would have increased by 3.9% between the year ended December 31, 2009 and the year ended December 31, 2010 and by 8.4% for the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010. This stability is supported by our predominantly postpaid customer base and relatively stable tariff and cost environment.

Our operations generated CHF 318.2 million, CHF 313.6 million and CHF 240.4 million of EBITDA for the year ended December 31, 2009, the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively, and CHF 193.6 million, CHF 165.8 million and CHF 150.5 million of EBITDA less capital expenditures for the year ended December 31, 2009, the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively.

Experienced and Renewed Management Team, Supported by Loyal and Committed Employee Base

We have a highly experienced and talented management team, combining international and local talent which was recently reinforced with additional international and local personnel in 2011. Most members of our senior management team have a proven track record in leading technology and telecommunications companies with an average of 19 years of industry experience and an average of 9 years within the FT Group. Our management team also has an established track record of transformation and generating growth, including, most recently, the successful repositioning of Orange over the last year, in particular with the successful launch of new and innovative mobile offerings, such as the Orange Me customizable product range, including Orange Young, an offering based on the Orange Me concept specifically dedicated to younger customers, and Orange Me PrePay, our renewed prepaid offering.

The senior management team is backed by a loyal and committed employee base. We are recognized as a “great place to work” according to surveys conducted inside and outside the FT Group. The Company is ranked among the 100 employers in Switzerland in the 2011 Universum Ideal Employer Rankings and was included in a 2011 ranking of the best employers in French speaking Switzerland of the magazine “Bilan.”

Our Strategy

Our objective is to reinforce our position in the Swiss mobile telecommunications market to become the leading mobile-centric operator in Switzerland, while growing our revenues, increasing our profitability and improving our cash flow generation.

Our management intends to accomplish these objectives by focusing on the following strategic initiatives:

- improving our penetration in mass-market customer segments through, among others, the reinforcement of our innovative *à la carte* value proposition, while protecting our well-established high-value customer base;
- continuing our efforts to improve network quality and its perception among users;
- more generally further improving customer satisfaction and loyalty and reducing churn;
- further growing our business customer base;

- further developing key partnerships in the mobile telecommunications industry, in particular with MVNOs and resellers;
- continuing our innovation efforts; and
- further improving the efficiency of our operations.

Improve penetration in mass-market customer segments while protecting well-established high-value customer base

Historically, we have focused our commercial efforts on customers that deliver the highest ARPU, in particular in the postpaid market segment. While our core strategic focus remains on the high-end of the market, we intend to leverage our experience and premium positioning to target a broader range of customers and increase our subscriber base in mass-market customer segments.

We intend to achieve this strategy through focused and targeted commercial and marketing efforts and through the further development of our *à la carte* tariffs plans. This *à la carte* approach provides customers with better transparency and maximum flexibility, allowing them to bundle voice and data products according to their preferences. This flexible value proposition will allow us to attract new customer profiles, such as younger users, while continuing to offer our higher-end customers the services that they expect from us.

Enhance user experience and quality perception through network improvement

We have significantly improved the quality of our network in recent years, having today the second best mobile network in Switzerland according to the 2011 network performance study published by “connect” magazine. We however intend to even further improve the quality of our network to enhance user experience and perception and to increase our market share.

We are in the process of swapping or exchanging the access equipment on our entire 2G and 3G radio access network and to upgrade it with multi-mode configuration to provide our customers with EDGE capabilities, to further extend our already broad geographical coverage and to make our network compatible with 4G-LTE requirements. By December 31, 2011 approximately 29% of the upgrade was completed and we intend to have this process completed by the end of 2012.

Further improve customer satisfaction and loyalty and reduce churn

Our organization has historically sought to be customer-centric and has always invested significant efforts to provide its customers with consistently high-quality services. Our management intends to cultivate and further enhance this customer oriented culture.

We intend to continue our efforts towards improving our market-leading customer care services, by enhancing control over the customer care process to improve the overall quality of our services and customer satisfaction. To best serve our customers, we intend to continue our strategy by reinsourcing or retaining in-house the critical functions of our customer care services, while continuing or increasing to outsource the non critical functions, allowing better performance and efficiency overall, including through competition between internal and external teams.

In addition, we intend to strengthen our efforts to retain our high quality customer base through the improvement of customer loyalty and reduction of churn. In 2011, we have put in place a dedicated team focusing on identifying the root causes for churn which has lead to a material reduction of churn in particular in our most valuable post-paid segment. We have defined and prioritized specific initiatives to prevent and reduce churn at an early stage, and our efforts are now focused on implementing this strategy in order to further significantly reduce our churn rates in the coming years.

Our strategy to enhance customer satisfaction and the reduction of churn also encompasses the continuation of our *à la carte* flexible tariffs approach, the enhancement of the quality of our network, the development of our direct distribution network to improve customer proximity and the improvement of our billing processes.

Grow our residential customer business through distribution efficiency and expansion

We intend to extend our distribution footprint through three main axes. First, we intend to further develop our direct distribution channels, in particular through the opening of additional own-shops. We will particularly focus these efforts in the German-speaking regions of Switzerland where our direct distribution presence has been historically less developed.

We also intend to implement a certain number of strategic actions to improve our presence in prime locations. For example, through the acquisition of the Citydisc distribution network, we have been able to access prime locations in train stations across Switzerland which are not subject to the same opening hours restrictions as other retail outlets and attract a larger number of customers.

Finally, we intend to adapt our distribution network to better address certain specific customer segments, such as business customers. We will continue to serve these customers through the multi-channel approach and dedicated sales organisation.

Further grow our business customer base

Our strategy encompasses a particular focus on postpaid business customers. In order to implement this strategy, we have put in place a strong and dedicated business unit, specifically focusing on business customers, in particular SoHos and SMEs.

Through certain partnerships, we intend to continue to offer to our business customers one-stop shop services for all basic connectivity needs: mobile and fixed voice and mobile and fixed broadband. We intend to build on our current solid position, using our flexible *à la carte* approach to tariffs and dedicated and named customer care agents, both of which cater particularly well to the requirements of business customers.

Develop MVNO agreements and other strategic partnerships

We plan to continue to nurture our existing partnerships, while exploring additional partnership opportunities. First, these partnerships allow us to leverage our primary asset: our network. By permitting MVNO and reseller partners to sell services on our network, we create additional revenues streams at a relatively low incremental cost. Second, partnerships provide additional sales capabilities, allowing us to target additional customer segments. Finally, the partnerships allow us to offer a broader product range which is particularly relevant with respect to business customers, to whom we can offer specialized products, such as integrated mobile and fixed infrastructure services, through our partnerships.

We already have a number of key partnerships in place, such as our recent arrangements with cablecom and our various outsourcing deals. We believe that there are potentially more opportunities, however, and that careful selection and implementation of strategic partnerships will allow us to gain further network market share, improve our efficiency and increase margins.

Continue our innovation efforts to offer customers new and attractive products through creative commercial offers

We have a track record of offering our customers creative products through original and differentiated commercial offers. We intend to continue our innovation efforts in order to protect our customer base, attract new customers and improve market share.

In particular, we intend to continue our efforts to offer our customers diversified and innovative data services such as mobile TV offering.

Maximize operational efficiencies and benefit from the investments into Network and IT

We have increasingly focused on efficiency improvements throughout our organization and we believe that this will lead to enhanced profitability. We intend to further improve our earnings and cash flows by reducing operating costs through a number of measures, including improvements in the distribution network and sale practices expected to reduce the proportion of sales through indirect channels, tighter steering of subscriber acquisition and retention costs by our actions on churn and rebalancing of the product portfolio towards more cost-efficient devices, unified marketing and promotion applied to the prepaid, postpaid and fixed offerings and pursuit of selective outsourcing opportunities.

We expect efficiency gains from the ongoing network upgrade, resulting in lower overall network costs. We also intend to continue our multi-year IT modernisation plan, reducing infrastructure and aiming to consolidate order management, CRM and billing services, and in-source the ISP capabilities.

In addition, we believe that we can further improve our cash flows through optimizing net working capital and applying stricter requirements for capital expenditures. We expect positive results from the ongoing e-billing initiatives and strict focus on optimizing the inventory levels.

Our History

We were formed by Orange Overseas Holdings Ltd., VIAG AG and Swissphone Engineering AG and incorporated on January 20, 1998. In the same year, we acquired the third mobile telecommunications

license in Switzerland and in 1999 launched mobile telecommunications services. In 2000, France Telecom became the majority shareholder through the acquisition of a 42.5% stake in Orange from E.On (formerly VIAG) and a further 14.75% from other shareholders in 2001. In December 2000, we acquired a Swiss UMTS license.

In 2002, we expanded our operations to Liechtenstein with the acquisition of VIAG Europlatform, which thereafter became Orange Liechtenstein. In the same year, FT Group acquired the outstanding shares in Orange Communications SA, thereby becoming the sole shareholder of Orange.

In 2003, after having established our own, independent mobile telecommunications network, we terminated our agreement with Swisscom regarding roaming, on which we had based our mobile telecommunications services since our entry into the market in 1999.

In 2008, we acquired Citydisc, a multimedia shop network, from Discorack-NCO AG.

In 2009, the shareholders of Orange and Sunrise signed an agreement for the merger of their respective Swiss operations that was subsequently blocked by CompCo in April 2010.

Business Operations

Overview

We provide mobile telecommunications products and services to both residential and business customers and further provide fixed voice, broadband and TV services, as well as certain additional related products and services.

Our mobile telecommunications products and services generated the largest part of our revenues, at 95.6% and 96.2% of total revenues for the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively. Mobile telecommunications revenues was comprised primarily of network revenues (86.8% for the year ended December 31, 2010 and 89.2% for the nine months ended September 30, 2011) and equipment revenues (8.8% for the year ended December 31, 2010 and 7.0% for the nine months ended September 30, 2011, respectively). Fixed voice, broadband and TV services accounted for 0.7% and 0.7% of total revenues for the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively, and further products and services accounted for 3.7% and 3.1% of total revenues for the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively.

Our organization structure is based on three specialized business units, “consumer,” “enterprise” and “wholesale,” each focusing on its respective market core business.

Mobile Telecommunications Offerings

As of September 30, 2011, we had approximately 1.584 million mobile subscribers. Our mobile service offerings include voice services, non-voice services (including SMS, MMS and data services on handsets) and mobile broadband services. We also offer mobile handsets, USB modems and other hardware devices, which we generally subsidize to promote our offerings. In addition to our mobile offerings targeted at the retail consumer segment, we also offer a variety of products and services targeting the specific needs of SoHo and SME business customers. We further have arrangements with resellers and MVNOs whereby we provide them with access to our network.

We offer our mobile voice and data services on both a postpaid (or contract) and prepaid basis, through several price plans. Postpaid subscribers are invoiced periodically for services used, and generally enter into 12-month or 24-month long contracts. Prepaid subscribers pay in advance and can recharge (“top-up”) their prepaid SIM card with additional credit. We have historically had a strong focus on postpaid subscribers.

Postpaid Offerings

Postpaid subscribers represented 82.8% and 85.4% of our network revenues for the year ended December 31, 2010 and for the nine months ended September 30, 2011, respectively, and approximately 61.4% and 62.0% of our total mobile subscriber base at December 31, 2010 and September 30, 2011, respectively. A majority of these subscribers had entered into 24-month contracts.

Residential Customers

Our key postpaid offering to residential customers is Orange Me. Orange Me is an innovative concept that allows customers to customize their subscription with respect to three parameters (voice minutes, SMS and data) by means of a simple equalizer. We believe that this simple and flexible concept that allows customers to

individually select their subscription based on 30 options, has differentiated us from our main competitors Swisscom and Sunrise, whose offerings follow a less flexible tiered bundle approach. Between January 1, 2011 and September 30, 2011, our postpaid residential customer base increased by 2.8% from 828,112 (53.0% of mobile subscribers) to 851,544 (53.8% of mobile subscribers), underlying the successful launch of the Orange Me offering.

In addition, Orange Young, an offering based on Orange Me that we launched in June 2011, is targeted at younger customers, offering particular features and more advantageous price plans to subscribers under the age of 27. With Orange MyGroup, an option under Orange Me, a customer may define a group of a maximum of five Orange customers who then benefit from unlimited free calls and SMS to the other group members.

Besides the Orange Me offering, we offer Orange Comfort 15/35, a postpaid offering that grants subscribers more control over their overall spending by limiting the credit for mobile telecommunications services to a fixed monthly fee, with the possibility to top-up the credit similar to a prepaid offering.

Business Customers

We target our offerings at business customers, predominantly SoHos and SMEs. Our two main offerings for business customers are Orange Me, a *à la carte* offering similar to what we offer residential customers, with certain additional services adapted to the specific needs of business customers, and Optima Enterprise. All our offerings to business customers are postpaid offerings.

Business postpaid customers accounted for approximately 8.4% and 8.3% of our mobile subscriber base as of December 31, 2010 and September 30, 2011, respectively, a slight decrease that is in large part due to the departure of several large business customers.

Prepaid Offerings

Historically, our primary focus has been on postpaid services. Our prepaid mobile voice and data offerings together accounted for 10.3% and 9.1% of our network revenues for the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively. Prepaid subscribers represented approximately 38.6% and 38.0% of our total subscriber base as of December 31, 2010 and September 30, 2011, respectively.

In 2011, we adjusted our commercial strategy regarding prepaid offerings and launched Orange Me PrePay in October 2011, a new product in the prepaid segment that allows prepaid customers to benefit from a simple and customizable product offering, similar to the Orange Me offer for postpaid customers.

Mobile Broadband Offerings

We offer a range of specific mobile broadband products that provide wireless internet access through USB keys, dongles, notebooks and tablets, in addition to data services on mobile phones. Mobile broadband products, excluding data services on mobile phones, generated 2% of our revenues for the nine months ended September 30, 2010 and 2% of our revenues for the same period in 2011.

MVNOs / Wholesale Resellers

We have a dedicated business unit that manages and develops our MVNO and wholesale reseller portfolio with the aim to become the key partner for MVNOs and resellers in the Swiss telecommunications market. See “*Business—Our Strengths—Strong Market Share and Attractive Value Positioning.*”

MVNOs are companies that provide mobile services without having their own licensed frequency allocation of radio spectrum and/or owning their own nationwide mobile network infrastructure through bilateral agreements with MNOs. They rely on a MNO to provide their customers with access to frequency allocation and network infrastructure. MVNOs enter into contracts directly with their customers and offer services solely under their own brand. MVNO customers are not counted as part of our subscriber base.

As of December 31, 2011, we had the following MVNOs on our network:

- *Lycamobile*: Lycamobile is the largest MVNO currently on our network. Our agreements with Lycamobile terminate on February 14, 2012, although the parties are currently negotiating a potential extension of the contract for transitional services. Lycamobile is likely to continue to offer its services on the network of one of our competitors. Lycamobile principally addresses specific customer segments.
- *Transatel*: Transatel is an MVNO operator that is also active in France, Luxembourg, Belgium, the Netherlands and the United Kingdom. It principally addresses specific customer segments.

- *Ortel*: Ortel is a subsidiary of KPN, the Dutch telecom operator. It started its operations in Switzerland in October 2011. Ortel is also active in Germany, Spain, France, Belgium and the Netherlands and addresses specific customer segments. Our agreement with Ortel provides for an initial term of three years starting from the public commercial launch in October 2011; after expiration of the initial term, if no notice of termination is given, the agreement is extended automatically for successive two-year periods. During the initial term, Ortel is required to generate certain minimum revenues. In addition to the MVNO services, we provide MVNE services to Ortel (using Transatel as a MVNE supplier). See “*Risk Factors—Risks Related to Our Market and Our Business—We depend on our wholesale reseller and MVNO partners to access a broader and more diverse base of subscribers and grow our subscriber base.*”

Further, we have recently signed an agreement regarding MVNO services with upc cablecom, the leading Swiss cable company. The agreement with upc cablecom is expected to be an important step in the development of our MVNO customer growth. To our knowledge, upc cablecom has not yet communicated a date for the public commercial launch. The agreement with upc cablecom provides for an initial term of three years as of the date of the public commercial launch. After expiration of the initial term, the agreement is, if no notice of termination is given, automatically extended for successive two-year periods. During the initial term, upc cablecom is required to generate certain minimum revenues. upc cablecom has the right to terminate the contract prior to launching its MVNO service.

We are also in negotiations with potential additional MVNO partners.

Like MVNOs, wholesale resellers rely on a MNO to provide their customers with access to frequency allocation and network infrastructure. However, unlike MVNOs, wholesale resellers do not enter into contracts with their customers. The MNO directly enters into a contractual arrangement with the customers of the reseller. Services offered by wholesale resellers are co-branded with the MNO (e.g., “Coop mobile, powered by Orange”).

We currently have a prepaid as well as a postpaid reseller agreement in place with Coop, under which Coop resells prepaid and postpaid products and services on a co-branded basis. Coop is the second-largest retail trade group in Switzerland, operating over 1,900 stores. Our agreements with Coop have recently been extended until the end of 2014. If neither party sends a termination notice by the end of 2013, those agreements will automatically be extended for an additional two years. In exchange for its reseller activities, Coop is entitled to a commission. Under our agreements with Coop, both parties are subject to exclusivity provisions. We are prohibited from entering into agreements for similar services with other retail chains active in Switzerland in the food, construction and hobby, consumer electronics, perfumery and furniture areas, as well as gas stations.

Regarding business customers, we have further entered into a number of reseller agreements under which our partners may resell our products and services as part of their offering to business customers.

Handset Offerings and other Accessories

We offer our subscribers a broad selection of handsets and related accessories, which we source from a number of well-known suppliers, including Apple, Nokia, Samsung, HTC, RIM, Sony Ericsson and LG.

We provide handset subsidies as a marketing strategy to grow our mobile subscriber base and reduce churn. The amount of the subsidy depends on the applied price plan that is combined with the handset and the length of the contract. Although handset subsidies increase subscription acquisition costs, they are a standard industry practice and an important part of subscriber acquisition and retention and are necessary in order to remain competitive.

In 2008, we were the first telecom operator to launch the iPhone in Switzerland. We now offer the iPhone 4s with an Orange Me postpaid subscription. See “*Business—Business Operations—Mobile Telecommunications Offerings—Postpaid Offerings.*”

We offer BlackBerry hardware and RIM services to residential customers and business customers on a postpaid basis.

To further enhance our mobile internet offer, we extended our hardware portfolio to include tablets, netbook and notebook computers. In this segment, we offer the Apple iPad, as well as Acer, HP and Samsung devices.

We have historically sourced our handset and hardware offerings under corporate sourcing contracts entered into by France Telecom with third-party providers or FT-related procurement entities and our sourcing is, therefore, affected by the Acquisition. See “*The Acquisition*” and “*—Certain Contracts relating to the Operation of Our Business.*”

International Roaming

On December 23, 2011, we entered into an agreement relating to roaming with France Telecom, effective on the Completion Date. The agreement covers the period from 2012 through 2015, sets forth general principles governing inter-operator tariffs between the FT Group and us and clarifies the circumstances under which we may benefit from agreements between the FT Group and third-party operators. The agreement provides for certain guaranteed volumes of roaming traffic from the FT Group to our network in exchange for agreed volumes that we will send to the FT Group, based on a decreasing scale of mutual commitments through 2015. With respect to contracts with third-party operators, the agreement provides that we will retain the benefit of France Telecom's third-party roaming agreements in 2012. For 2013 to 2015, France Telecom has agreed to use its best efforts in negotiating to include us in agreements with certain third-party telecommunication services providers. In addition, the Acquisition Agreement contemplates that the terms of settlement for inter-operator tariffs between the FT Group and us may shorten after 2013 from the present settlement cycle of 365 days. The roaming agreement may be terminated by either party in certain circumstances, including if we or France Telecom commit a material breach of the agreement or if we undergo certain change of control events or if a competitor purchases shares in us.

Fixed Voice, Broadband Internet and TV Products

We do not have our own dedicated landline network infrastructure to provide landline broadband internet and fixed voice services. However, we entered into a reseller agreement with VTX Services SA, effective since April 2007, regarding the provision of broadband customer services (ADSL) and fixed voice services. VTX Services SA itself provides its services on the basis of a wholesale agreement with Swisscom. An example of our fixed voice and broadband products and services is Office Team, offering business customers fixed and mobile communication and broadband internet from one hand.

In 2010, we launched Orange TV, offering TV services to mobile phones, other mobile devices and through the Internet. Orange TV offers access to over 75 national and international TV channels as well as full eight-day replay TV.

Orange CineHome, our second TV offering, provides subscription based OTT video-on-demand with access to more than 3,500 on-demand movies and TV series, Warner TV as well as Kids Channels.

Additional Products and Services Offered

Our offering of products and services also includes Orange Care, a portfolio of care services including, among others, insurance, mobile phone configuration services and handset repair services. Further, our customers have access to a personalized mobile internet portal that comprises of a complete portal service, which provides news, TV, social communities, games and access through a personal account manager.

Through our Citydisc shops, we also sell multimedia products, such as DVDs, CDs and videogames.

Marketing and Branding

We have historically marketed our products and services under the *Orange* brand. On December 23, 2011, in connection with the entry into the Acquisition Agreement, we entered into a brand license agreement with Orange Brand Services Limited that will become effective on the Completion Date. Under the terms of the agreement, we will have a license to the *Orange* brand for a period of three years, which will subject to certain conditions being satisfied, renew automatically for an additional two-year period. We currently intend to continue to use the *Orange* brand and to carry out a rebranding process within approximately eighteen months of the Completion Date. As our rights under the brand license may continue for up to five years, however, we may decide to change the timing or scope of our rebranding plans in the future. See "*The Acquisition.*"

In 2011, our marketing activities in particular have focused on our renewed postpaid portfolio, emphasizing the strengths of our customizable, simple to use, flexible and easy to understand Orange Me and Orange Young offerings, targeting in particular higher-value customer segments and young customers. In early 2012, a main focus of our marketing activities will be on promoting our renewed prepaid portfolio, in particular our Orange Me PrePay offering. A specific focus of our recent marketing activities has also been the implementation of leading edge, postpaid cross- and up-selling systems and tools, to allow successful targeted marketing.

Our marketing team employs a multi-channel approach to advertise our products, with a strong online and social media team.

Besides our own single brand marketing activities, we have a prepaid as well as a postpaid whole reseller agreement in place with Coop, under which Coop resells prepaid and postpaid products and services on a co-branded basis (through “Coop mobile, powered by Orange”). Further, our MVNO partners generally target specific customer segments, allowing us to target a broader range of customers and successfully increase our subscriber base in more mass-market segments.

Sales and Distribution

Our sales and distribution organization and strategy regarding residential customers and business customers are managed by distinct business units.

Residential Customers

We distribute our products and services both directly and indirectly through partners. For the nine months ended September 30, 2011, approximately 47% of acquisition and retention acts by residential customers were generated through direct channels and approximately 53% were generated through indirect channels.

Our direct distribution channels are comprised of our network of currently approximately 80 shops, including own-branded shops, Orange Citydisc shops (approximately 20 shops, many at attractive locations in train stations and airports allowing more flexible opening hours than common in Switzerland), as well as approximately twelve point-of-sales in Globus department stores, a high-end department store in major Swiss cities. We also distribute our products directly through the Internet.

Through our direct distribution channels, we sell our mobile telecommunications offerings, fixed voice, broadband and TV products and services, as well as further products and services, and we also offer customer care services. For residential customers, our own shops account for an increasing percentage of total new contracts signed. For the nine months ended September 30, 2011, approximately 37.1% of acquisition and retention acts by residential customers were generated by our own shops, compared to approximately 34% for the nine months ended September 30, 2010. Increasing reliance on direct distribution channels is a key factor for decreasing subscriber acquisition and retention costs and we intend to optimize and develop further our own direct distribution channels to maintain our market presence, enhance the specific customer experience and manage subscriber acquisition and retention costs. We also plan to target our residential customers directly via telesales activities in the future.

Our indirect distribution channel includes partners who sell our products and services, such as, for example, Mobilezone, Swiss Post, Interdiscount, Fust and Saturn/Mediamarkt. Indirect distributors are commissioned on each retained subscriber and new contracts signed. In addition, MVNOs and wholesale resellers on our network generally distribute mobile telecommunications services under their own brand (except for Coop, which distributes on a co-branded basis) and through their own distribution network and channels.

Business Customers

With regard to business customers, we have developed our direct distribution network to address the SoHo and SME segments through a true multi-channel approach involving own shops, distribution partners, sales representatives, telesales and internet.

As a key feature, each SME business customer is assigned a dedicated agent as single contact person.

Customer Service and Retention

The key focus of our customer care services is to enhance the customer experience, with a view to reducing churn and improving market recognition.

We provide customer care services, including commercial and technical support mainly through our contact centers, online self-care functionalities, and in our Orange stores.

In particular:

- We operate two competing contact centers, one in-house and one through our outsourcing partner, Teleperformance. In our contact centers, we have, among other things, implemented a skill-based routing of customer issues via an interactive voice response (IVR) to provide direct access to an agent with relevant skills, so as to maximize the rate of first call resolution of issues. We have been recognized by the press and received awards from the Swiss call center association for innovative call center solutions and also received an award for best mobile telephony provider for residential customer hotlines from “Contact Management Magazine” in 2010.

- Our customers can also access a broad range of internet based self-care functionalities with their computer or mobile phone. Self-care accounts for the vast majority of our customer care contacts.
- We also provide customer services in our own shops, where we aim at maximizing customer satisfaction, among other things, by a front-line academy for employee training, best practices sharing systems between the different shops, and by incentivizing our employees.

Orange Care is a further key element of our customer services. Orange Care is a portfolio of customer care services that includes, among other features, insurance and dedicated access to smartphone experts who can access the customer's device remotely for configuration or repair services. Orange Care services are available in every Orange Center as well as online and over the phone.

In addition, we provide each of our SME business customers, in addition, profits from a dedicated agent as single contact person, a service that differentiates us from our main competitors.

In addition to the measures we have taken to improve customer service and customer experience, we have a firm-wide dedicated retention team addressing implicit and explicit churn requests, with the aim of retaining our customer base and revenues. Our retention team focuses on eliminating the root causes for churn by applying a three-step churn management approach comprising (i) an in-depth analysis of churn practices, churn causes and churn distribution, (ii) the definition and prioritization of specific initiatives to reduce or prevent churn at an early stage and (iii) the execution and monitoring of a specific churn action plan, including, for example, by making follow-up calls in reply to written cancellations.

Credit Management and Billing

We bill our postpaid mobile customers directly. SIM cards, mobile phones and other devices can either be purchased directly from us or from one of our indirect distributors who, in turn, purchase them from us. We send monthly bills to our postpaid mobile customers, payable within 25 days, and we monitor customer collections and payments. Overdue receivables in excess of 120 days are transferred to Intrum, a third-party factoring agency. We maintain a provision for estimated credit losses, based on a percentage of risk of payment default with reference to aging of overdue invoiced amounts. In particular, the provisions foresee different levels of risks for residential and business customers, sales partners and distributors, operators, and roaming partners. Our write-offs of customer bad debt were respectively 0.9% and 0.6% of total revenues in the years ended December 31, 2009 and December 31, 2010 and remained stable at 0.7% the nine months ended September 30, 2011. These losses are mainly related to retail postpaid customers. We also offer direct debit and e-payment. While a significant majority of our customers pay electronically, the use of direct debit is generally unpopular in the Swiss market.

Prepaid mobile customers purchase SIM cards, mobile phones and other devices directly from us or from retailers and dealers who, in turn, purchase them from us. We bill these retailers, dealers and distributors shortly after we deliver these products. These customers then have the ability to top-up their accounts through a number of payment channels, either directly with us (through the Internet or in one of our shops), via SMS with PostFinance Mobile Payment, or through any of our indirect distribution partners.

Network and Infrastructure

Mobile Access Network

We offer mobile services through our 2G GSM/GPRS and 3G UMTS/HSPA mobile access network comprising as of December 31, 2011 approximately 3,800 antenna sites with approximately 3,450 2G GSM/GPRS base stations (BTS) and approximately 2,200 3G UMTS/HSPA base stations (node-B).

- Our 2G mobile access network consists 95% of 1800MHz antennas that were deployed largely between 1999 and 2006. 60% of our 2G Base Transceiver Stations (BTS) and all Base Station Controllers (BSC) are currently under renewal pursuant to our major network investment plan that is scheduled to be completed by the end of 2012. We estimate that, as of December 31, 2011, our 2G network covered approximately 99.3% of the Swiss population and approximately 73.5% of the territory of Switzerland (voice outdoor coverage).
- Our 3G mobile access network comprises 2100 MHz antennas, with approximately six sites in U900. We estimate that, as of December 31, 2011, our 3G network covered approximately 91.9% of the Swiss population and 47.1% of the territory of Switzerland (voice outdoor coverage).

We initiated a new network strategy in the second half of 2010, with a particular focus on improving the network from a customer perception perspective:

- In a first phase in 2011 and 2012, base stations at all our access network antenna sites will be renewed/ swapped to improve the general network quality and coverage. The priority in this first phase is to renew our existing antenna sites to provide multi-radio RAN and EDGE capability and make our network 4G LTE-compatible. By December 31, 2011, approximately 29% of the respective upgrade was completed. Further, our 3G UMTS data capacity, as well as indoor and in-car performance, will be improved without a significant extension of sites.
- In a second phase, our general geographical network coverage will be improved. Respective investments in new sites and base stations shall be prioritized based on the business attractiveness of the various regions.

We have outsourced the build-up and maintenance of our entire domestic mobile network to Alcatel-Lucent (“ALU”), pursuant to a five-year contract ending on January 1, 2013. See “*Business—Certain Contracts Relating to the Operation of our Business.*”

Transmission Network

Our mobile transmission network comprises a RAN access/metro backhaul network, a national RAN backbone backhaul network (core transport network), and an IT/corporate data network.

Landline Network

We have no landline network to offer fixed-voice and broadband internet services. Our landline offerings are based on a reseller contract of fixed line services provided by VTX Services SA, our fixed line partner. In addition, we have built effective interfaces, tools and processes with VTX Services SA to support the launch of fixed propositions based on an “asset light” model in the future.

IT Systems

Our information technology systems are highly integrated into every aspect of our business providing capabilities for a variety of purposes in relation to customer front-ends, middleware and back-ends and cover, among other things, the following fundamental areas:

- Billing, customer relationship management;
- Point-of Sales support, commissioning, sales force automation;
- Supply chain management;
- Online services;
- Data Warehousing;
- Controlling, Finance; and
- HR.

The systems are mainly hosted in three data centers (Crissier, Zürich, Balsberg, with the Core and VAS network elements being located in Crissier and Zürich).

We have outsourced our IT & network operations to Hewlett-Packard and Alcatel Lucent.

Service management and governance functions are performed in-house, and service development is partly outsourced.

We are implementing a multi-year transformation plan to refresh our legacy IT architecture when an obvious business benefit is identified. It will be implemented in five phases between 2011 and 2015 and is expected to improve efficiency, but also customer care and sales productivity. See “*Management Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditure and Investments.*”

Licenses

We believe that we hold all necessary licenses to operate our business, see “*Regulation.*” In Switzerland, our license to operate our GSM network expires on December 31, 2013, and our UMTS license expires on December 31, 2016. In Liechtenstein, our license to operate our GSM network expires on November 8, 2017, and our UMTS license expires on December 31, 2016. In addition we hold three point-to-point radio relay systems licenses, valid until December 31, 2016.

Mobile spectrum frequencies in Switzerland are auctioned in spectrum auctions. The next auction is scheduled to be held in the first quarter of 2012. See “*Regulation—Mobile Regulatory Environment—Spectrum Auction 2012*” for further details about the spectrum auction. See also “*Risk Factors—Risks Related to Our Market and Our Business—Orange’s licenses and permits to provide mobile services have finite terms and are subject to an auction process in Switzerland scheduled to take place in the first quarter of 2012. The results of the auction are not expected to be made public until after the completion of the Offering.*”

Certain Contracts Relating to the Operation of Our Business

We are a party to a number of agreements that are important to our business, including those set out below. In addition, in connection with the Acquisition, we have entered into a Transitional Agreement, a Brand License Agreement and a Roaming Agreement as described in more detail under the heading “*The Acquisition*” in this Prospectus.

FT Group Sourcing of Mobile Handsets, SIM Cards and Accessories

We have historically sourced handset and hardware products under corporate sourcing contracts entered into by France Telecom with third-party providers. Upon closing of the Acquisition, as we will no longer be part of the FT Group, we will no longer be able to source products under such corporate sourcing contracts, subject to any transition period included in the relevant sourcing contract. We are currently negotiating stand-alone agreements with several key suppliers. Under the Transitional Agreement, France Telecom has agreed to use reasonable best efforts to procure that we continue to benefit from applicable contracts following the Completion Date during any transition period included in the relevant sourcing contract, and to reasonably cooperate regarding a potential further extension leading in any case to a transition period of maximum 24 months following Completion Date. From the Completion Date, a number of our contracts will terminate as a result of change-of-control clauses. As a result, we will no longer have supply contracts with certain suppliers, including Apple. Contracts with other key suppliers of handsets, SIM cards and accessories, including Samsung, Sony Ericsson, Nokia, HTC, RIM, Motorola, Gemalto, Huawei and T&A Mobile Phones provide for certain transition periods following the Completion Date.

FT Group Mobile Network Infrastructure Including Maintenance Agreement And Outsourcing Agreements

We have historically further sourced mobile network infrastructure, maintenance and outsourcing products and services under corporate sourcing contracts entered into by France Telecom with third-party providers. Under the Transitional Agreement, France Telecom has agreed to use reasonable best efforts to procure that we will continue to benefit from applicable contracts until their relevant termination dates as set forth in the Transitional Agreement and to reasonably cooperate regarding a potential further extension leading in any case to a transition period of maximum 24 months following Completion Date.

For example, we benefit before the close of the Acquisition from agreements entered into by France Telecom with Nokia Siemens, Alcatel Lucent, NEC Corporation and Ericsson. In particular the agreements with Nokia Siemens Networks regarding the purchase and maintenance of BSS, UTRAN, OSS products and software releases and related services, as well as the agreements with Nokia Corporation regarding the NSS/OSS maintenance services are important to us. Nokia Siemens among other things provides all equipment for the renewal/swap of our access network under the ongoing network investment plan. See “*Business—Network and Infrastructure.*” We are currently negotiating or plan to negotiate with relevant counterparties to enter into stand-alone sourcing contracts, replacing the sourcing contracts entered into by France Telecom, including with regard to the agreements with Nokia Siemens and Alcatel Lucent, or will negotiate with France Telecom and the relevant third party to potentially extend the relevant termination dates for a maximum period of 24 months from the Completion Date.

Stand-alone Network Outsourcing Agreements with Alcatel-Lucent (ALU)

On September 19, 2007, we entered into a stand-alone master service agreement with ALU regarding the outsourcing of the build-up and maintenance of our entire domestic mobile network. The agreement terminates on January 1, 2013. ALU is our exclusive provider of services under the master services agreement. In connection with the master services agreement, on December 10, 2007, we also entered directly into an asset transfer agreement whereby we transferred to ALU assets consisting of certain acquisitions and permit applications in relation to construction and maintenance of mobile telecommunications antenna works in Switzerland, as well as labor and other contracts.

Wholesale Agreements

Interconnection Agreements

We have entered into separate interconnection agreements with Swisscom, Sunrise and upc cablecom regarding the connection of our network with their respective networks. For international interconnections, we have further entered into interconnection agreements with Belgacom, France Telecom, Telefonica O2 Czech Republic, Cable & Wireless Global and COLT Telecom AG regarding the international connection of our network with their respective networks. The respective interconnection agreements with France Telecom are covered by the Transitional Agreement and we will continue to benefit from these agreements for a transitional period set out in the Transitional Agreement. It is currently anticipated that the transition period for the interconnection agreements with France Telecom will not exceed twelve months.

Wholesale reseller agreement with VTX

We have entered into reseller agreements with VTX Services AG regarding the provision of broadband customers services (ADSL), B2B VOIP and VOIP services, on the basis of which we provide our broadband internet and fixed voice to our customers. The reseller agreements with VTX Services AG contain change of control clauses that we believe will not be triggered by the Acquisition.

Agreements with MVNOs and Resellers

We have currently agreements with four MVNOs in Switzerland, Lycamobile, Ortel, Transatel and upc cablecom and are in negotiations with further potential providers of MVNO services. Our agreements with Lycamobile, the largest MVNO on our network, will terminate on February 14, 2012, although the parties are currently negotiating a potential extension of the contract for transitional services. Under the MVNO agreements, we provide other mobile telecommunications operators that do not possess their own network infrastructure with access to our network. In return, the MVNOs pay us a fixed acquisition price for the services and products distributed. MVNOs operate their own distribution channels and conclude contracts with their end customers under their own name and brand. They also determine the pricing applicable to the end customers. Under our reseller agreements with Coop and certain business to business reseller agreements, Coop and the other relevant counterparts offer prepaid and postpaid products and services on a co-branded basis. The reseller agreements with Coop have recently been extended to the end of 2014.

Distribution Agreements

We have contractual relations with third-party distributors who sell our products and services. Our agreements with these distributors follow the model of our standard Retail Partner Agreement and B2B Partner Agreements. Our distributor agreements are usually entered into for an indefinite period and may be terminated by either party by giving three months notice. These contracts contain customary termination events which do not include a change of control, but, in light of the distribution of Apple products, contain an extraordinary termination right if we no longer have the agreement with Apple in place.

With regard to warehousing and distribution, we entered into a Service Agreement for Logistics Services and an extension agreement relating to this contract with ALSO Schweiz AG, our main logistics partner. The agreement has an indefinite term and provides for a two months notice period for termination, at the earliest as per April 30, 2012. The contract contains a change of control provision that we, however, believe will not be triggered by the Acquisition.

IT-Services Outsourcing Agreements with Hewlett-Packard (HP)

On May 24, 2007, we entered into an outsourcing services agreement with HP for the outsourcing of IT services in various areas, with a focus on application support. While HP may terminate this agreement seven years after the commencement date (July 1, 2007), we have the right to terminate the agreement after an initial term of five years, i.e. June 30, 2012, by giving six months' notice. We also have a service agreement with HP in place dated November 24, 2003 regarding hardware and network maintenance. This agreement may be terminated by either party by giving three months' prior written notice.

Outsourcing Agreement with Teleperformance

We entered into an outsourcing agreement with Teleperformance Schweiz LibertyCall AG regarding the provision of call center services. The agreement provides for an initial term of three years until May 1, 2014. It may first be terminated nine months prior to the end of such initial term. The agreement contains customary termination events and does not include a change of control clause.

Legal Proceedings

We are subject to various legal proceedings. Below is a description of the pending legal proceedings that we consider material. In addition, we are subject from time to time to audits and investigations, some of which may in the future result in proceedings being instituted against us. See *“Our business may be adversely affected by actual or perceived health risks and other environmental requirements relating to mobile telecommunications transmission equipment and devices, including the location of antennas.”*

Antenna site disputes are common issues for mobile telecommunications network operators, including us. Currently, we are subject to approximately 90 antenna cases where the required permits and/or the lease agreements for antenna sites are being disputed. The number of antenna site disputes has been stable over the past years.

On November 17, 2011 the Swiss Federal Arbitration Commission for the rights on copyrights and neighboring rights (*Eidgenössische Schiedskommission für die Verwertung von Urheberrechten und verwandten Schutzrechten*) decided on a tariff to provide compensation for the copying of protected intellectual property onto mobile handsets by private individuals. Pursuant to this decision, manufactures and importers of certain handsets that allow the storage and playing of music (*Musikhandys*) must pay compensation in the amount of CHF 0.25 per each gigabyte of memory. That tariff will apply retrospectively from July 1, 2010 until December 31, 2011. Should this decision become binding, we would be obliged to pay approximately CHF 1.5 million for the period of July 1, 2010 to December 31, 2011.

On October 24, 2011, Samagest SA filed a civil claim against the Company for lost revenues in the amount of CHF 2.2 million, based on the fact that the Company had suspended a number of SIM cards used for unauthorized purposes by Samagest SA.

Environmental Matters

We are subject to a broad range of environmental laws and regulations. These laws and regulations impose increasingly stringent environmental obligations regarding, among other things, radiation emissions, zoning, the protection of employee health and safety, noise, and historical and artistic preservation. We could therefore be exposed to costs and liabilities, including liabilities associated with past activities. Our operations are subject to obligations to obtain environmental permits, licenses and/or authorizations, or to provide prior notification to the appropriate authorities.

Our objective is to comply in all material respects with applicable environmental and health control laws, and all related permit requirements. We believe that the principal environmental risks arising from our current operations relate to the potential for electromagnetic pollution and for damage to cultural and environmental assets. In extreme cases, the penalty for repeat violations of the applicable environmental laws in Switzerland could result in administrative sanction, suspension and even revocation of our license.

We use different network infrastructure strategies to achieve radiation emission ranges lower than the minimum levels permitted by applicable Swiss regulations. If the Swiss government or regulator were to set limits on electromagnetic emissions that are stricter than those currently in effect, we could be required to upgrade, move or make other changes to our mobile telephone infrastructure.

We enacted various guidelines— in particular with regard to the quality of antenna sites and minimization of safety risks in connection with non-ionising radiations— as well as a health and safety policy. We have further obtained ISO 9001:2008 system certifications in connection with the circular of the Federal Office for the Environment regarding the quality assurance for compliance with the limits of antenna radiation dated January 16, 2006.

Employees and Pension Obligations

As of September 30, 2011, our headcount comprised 1,203 full time equivalents (“FTE”) (including 29 FT Group employees who work in Switzerland, some of whom will be transferred to Orange in connection with the Acquisition) split into the following positions: 87% of our employees were full-time employees and 13% part-time.

We have a representative body for the employees, the Employee Forum. As the representative body, the Employee Forum ensures the implementation of the Swiss Federal Act on Information and Consultation of Workers in Business Operations. We have not entered into a collective labor agreement.

We provide retirement benefits to our employees as required by Swiss law by means of a pension fund that is a separate legal entity. The pension fund is organized as defined contribution scheme (treated as a defined benefit agreement for the purposes of IFRS) and consists three pension plans. The basic pension plan 1 covers all employees with an annual salary below 3.5 times the maximum basic old age pension, i.e. currently approximately CHF 97,440. The basic pension plan 2 covers all employees who are not members of our management with an annual salary equal or above 3.5 times the maximum basic old age pension mentioned above. For members of management, there exists a specific basic pension plan 3.

As of September 30, 2011, we had a pension liability of CHF 42.5 million (under IFRS). See “*Risk Factors—Risks Related to Our Market and Our Business—Our pension liability may reduce our cash flows, profitability, financial condition, net assets, distributable reserves and our ability to pay dividends.*”

We believe that our employee relations are good. We have a young and international employee structure and are recognized as a “great place to work” according to surveys conducted inside and outside the company. Orange is ranked among the 100 employers in Switzerland in the 2011 Universum Ideal Employer Rankings and among the top in a 2011 ranking of the best employers in French-speaking Switzerland of magazine “Bilan.” We have not experienced any labor-related work stoppages during the three years ended December 31, 2010.

Property and Leases

We currently use six office buildings and approximately 80 own shops. While we lease four of the six offices buildings, including our headquarters in Renens, we own our office/call centre building in Biel with approximately 4,760 square meters, as well as our office/storage building in Crissier with approximately 656 square meters. We intend to enter into a sale and lease back arrangement regarding our building in Biel.

We currently own approximately 3,450 2G GSM/GPRS base stations (BTS) and 2,200 3G UMTS/HSPA base stations (node-B) at approximately 3,800 antenna sites. We lease the antenna sites from their respective owners. We use additional sites, regarding which we entered into joint use or similar agreements with the respective owners of the antenna sites.

Intellectual Property

Orange Brand Licensing Agreement

On December 23, 2011, in connection with the entry into the Acquisition Agreement, we entered into a brand license agreement with Orange Brand Services Limited that will become effective on the Completion Date. Under the terms of the agreement, we will have a license to the *Orange* brand for a period of three years, which will subject to certain conditions being satisfied, renew automatically for an additional two-year period. We currently intend to continue to use the *Orange* brand and to carry out a rebranding process within approximately eighteen months of the Completion Date. As our rights under the brand license may continue for up to five years, however, we may decide to change the timing or scope of our rebranding plans in the future. Under the brand license agreements, we are generally obligated to pay France Telecom royalties on a quarterly basis, but have the right until December 31, 2014 to defer up to CHF 31.0 million of brand license fees we owe under the brand license agreement. Estimated payments due to France Telecom under the brand licensing agreement through 2014 have been pre-funded as part of the financing of the Acquisition. See “*The Acquisition.*” The brand license agreement may be terminated by either party in certain circumstances, including if we or France Telecom commit a material breach of the agreement, if we do not satisfy certain minimum investment requirements in the *Orange* brand, if we undergo certain change of control events or if a competitor purchases shares in us.

Insurance

We maintain insurance coverage in amounts that we believe are sufficient to insure appropriately our risks, including insurance for third-party liability, property damage / business interruption, global crime, buildings, construction and erection, special technical equipment and various other insurances.

A number of these insurance policies are linked to global FT Group insurance policies. Accordingly, coverage under these insurances will or may terminate as a result of the Acquisition. Our intention is to maintain insurance coverage consistent with industry standards, although the coverage may be somewhat reduced compared to the coverage we currently have under the FT Group and we expect that the premiums for these insurances may be higher.

REGULATION

Overview

Our activities in Switzerland are subject to statutory regulation and supervision by various Swiss national authorities, in particular ComCom and OFCOM. In addition to ComCom and OFCOM, CompCo and the Swiss price supervisor are also involved in regulatory issues relating to the telecommunications sector.

The relevant regulatory framework is set forth mainly in the Swiss Telecommunications Act (*Fernmeldegesetz* or “FMG”) and associated ordinances and regulations, but also in the Swiss Cartel Act and some further pieces of legislation (such as the Swiss Federal Act and Ordinance on the Surveillance of Post and Telecommunications (“BUPF / VUPF”) and the Swiss Radio and Television Act (“RTVG”).

While Switzerland is not a member of the European Union and is, therefore, not subject to the EU telecommunications regulation, the liberalization of the Swiss telecommunications market has moved largely in parallel with the deregulation of the telecommunications market in the EU, and it is likely to further develop in line with developments in the EU. However, there are some conceptual differences, the most important regarding mobile telecommunication being subject to *ex-post* regulation in Switzerland as opposed to *ex-ante* regulation in the EU, and the lack of specific regulation on international roaming in Switzerland, it being understood that general principles of the Swiss Cartel Act, however, apply.

The Swiss telecommunications market was liberalized in 1998, when the FMG came into effect. While considerable achievements were made under the 1998 liberalization regime, some deficiencies were identified, which led to a partial but important revision of the FMG in 2007.

Telecommunications Industry Regulation

General

The general framework for the transmission of information by means of landline and mobile telecommunication is set out in the FMG and associated ordinances and regulations. The scope of the regulation of the FMG includes all legacy landline and mobile voice transmission, narrow and broadband data transmission, as well as the transmission of television and radio programs (irrespective of the infrastructure used, but subject to overriding provisions of the RTVG).

According to the FMG, all providers must possess the technical skills and capabilities necessary to offer telecommunications services, they must comply with the applicable laws and regulations, obey the labor laws and particular labor conditions in the industry, and offer a reasonable number of apprenticeships. The FMG also sets forth general rules on resources, including rules regarding fixed line and mobile numbers, a fully-liberalized regime on telecommunications equipment, such as devices, installations, that only regulates technical compliance, a particular regime on universal services, including financing, confidentiality of the contents of communications, data protection, and particular obligations of telecommunications providers to protect vital national interests in certain extraordinary circumstances. The FMG provides certain sanctions for violations of the law, in particular penalties for abuses, such as manipulation and prohibited use of information and interference with telecommunications, and the potential withdrawal of the licenses.

Access Regime

Pursuant to the FMG, any provider of telecommunications services that is determined to be market dominant must, upon request by another telecommunications provider, provide the following minimum access to its infrastructure and services on a transparent and non-discriminatory basis and at cost-based prices in accordance with the long run incremental costs (“LRIC”) method:

- a) fully unbundled access to the local loop;
- b) bitstream access to offer broadband services during four years after the launch of the access service;
- c) direct billing to unbundled customers (*i.e.* re-billing for fixed network local loops);
- d) interconnection services (including, at a minimum, origination, transit and termination of calls, number identification and suppression, access to value-added services (08xx, 09xx), and third-party physical interconnection for connection of services);
- e) leased lines; and
- f) access to cable ducts with sufficient capacities.

The above obligations to grant access apply to both mobile and landline telecommunication network operators, with the exception of the mandatory local loop unbundling which is limited to incumbent Swisscom's legacy landline infrastructure (twisted copper pair local loops) and notably excludes cable and mobile infrastructures.

Procedures and Disputes on Access

A provider that is determined to be market dominant must publish the technical and financial conditions of its mandatory access services. If such market dominant provider chooses to offer additional access services at non-regulated conditions, it must publish those conditions as well. Non market-dominant providers may also offer a variety of access services at transparent, though unregulated, conditions. These offerings are generally published by the regulatory authority as well.

Upon request, access is granted by entering into an access agreement and an interconnection agreement (together referred to as "IC Agreements"). All IC Agreements, irrespective of whether a market dominant provider is involved, must be disclosed to OFCOM and OFCOM, upon request, provides access to IC Agreements to any interested party, unless justified private or public interests prevail.

The mandatory access regime for market dominant providers is an *ex-post* regulation scheme. The regulator (ComCom) determines the conditions and prices of access services of market dominant providers only upon request and only if negotiations during a three-month negotiation period have failed. The subject of an access dispute may concern whether the defending provider is market dominant, the scope of mandatory access obligation (or whether the defending provider, if deemed market dominant, must offer the technical access service as particularly requested by the claiming provider), and/or the price or other conditions at which the requested access should be granted. In summary, ComCom will only issue an order setting the scope of the access and the price conditions if the defending provider is held market dominant, the requested access is considered mandatory, and the parties disagree on the price or other terms.

Universal Services

The regime on universal services regulates services to be offered throughout Switzerland to the entire population (including in remote regions). The provision of universal services requires ComCom to grant a license (*Grundversorgungskonzession*) for a limited time based on specified conditions. Theoretically, any telecommunications provider may apply for a universal services license, which are auctioned and allocated to those providers that best satisfy the quality requirements. As a matter of practice, however, Swisscom is the only owner of a universal services license in Switzerland and is, thus, obliged to supply a certain range of high-quality voice telephony, data transmission and additional services at (*ex ante*) regulated prices, while complying with the technical specifications issued by OFCOM. In return, Swisscom receives government compensation to cover parts of the costs incurred for providing universal services. This compensation is funded by fees obtained from all registered telecommunications service providers in Switzerland, including us, on the basis of each provider's gross revenues.

Mobile Regulatory Environment

License Obligation

Providers of mobile telecommunications services that wish to maintain their own mobile network must obtain licenses from ComCom or, in certain cases, from OFCOM to use radio frequencies. We currently hold a combined GSM/UMTS license for the provision of telecommunications services on the basis of GSM/UMTS standards that will expire on December 31, 2013 and a license for the provision of telecommunications services on the basis of UMTS standards that will expire on December 31, 2016, as well as three microwave licenses for point-to-point directional wireless communications (*Richtfunkkonzessionen*) that expire on December 31, 2016.

Spectrum Auction 2012

On November 26, 2010, ComCom launched a competitive tender process for the allocation of radio frequencies for the provision of mobile telecommunications services in Switzerland (not including microwave licenses). The invitation was amended on July 19, 2011 following ComCom decisions on May 16, 2011 and July 6, 2011. The auction will cover the re-allocation of all frequencies in the 900 MHz/1800 MHz frequency band (GSM) and in the 2100 MHz band (UMTS core band), as well as the allocation of further frequencies in the 800 MHz (digital dividend) and 2600 MHz LTE bands (UMTS extension band).

Category	Licence duration	Available lots	Spectrum endowment...	Reserve price...	Eligibility points ...
Category A: 791-821MHz paired with 832-862MHz	1.1.2013 – 31.12.2028	6	2x5MHz	CHF21.3 million	6
Category B: 880-915MHz paired with 925-960MHz	From 1.1.2015 ¹ From 1.1.2016 ² – 31.12.2028	7	2x5MHz	CHF21.3 million	6
Category C: 1710-1785MHz paired with 1805-1880MHz	From 1.1.2015 ^{1,3} From 1.1.2016 ² – 31.12.2028	1	2x10MHz (only 2x8.6 MHz usable from the license award)	CHF16.6 million	4
Category C: 1710-1785MHz paired with 1805-1880MHz	From 1.1.2015 ¹ From 1.1.2016 ² – 31.12.2028	13	2x5MHz	CHF7.1 million	2
Category E: 1900-1920MHz	2012 – 31.12.2028	1	1x5MHz	CHF4.15 million	1
Category F: 1900-1920MHz	1.1.2017 – 31.12.2028	3	1x5MHz	CHF2.7 million	1
Category G: 1920-1980MHz paired with 2110-2170MHz	2012 – 31.12.2028	3	2x5MHz	CHF8.3 million	2
Category	Licence duration	Available lots	Spectrum endowment...	Reserve price...	Eligibility points ...
Category H: 1920-1980MHz paired with 2110-2170MHz	1.1.2017 – 31.12.2028	9	2x5MHz	CHF5.4 million	2
Category I: 2500-2570MHz paired with 2620-2690MHz	2012 – 31.12.2028	14	2x5MHz	CHF8.3 million	2
Category J: 2570-2615MHz	2012 – 31.12.2028	3	1x15MHz	CHF12.45 million	3
Category K: 2010-2025MHz	2012 – 31.12.2028	1	1x15MHz	CHF12.45 million	Not applicable

Source: ComCom

In accordance with the tender rules, the current mobile telecommunications operators, including us, have no automatic or preferred right of renewal with respect to their current mobile licenses.

Pursuant to the publicly available auction rules and the invitation to tender, the auction for categories A to J will be held as a combinatorial clock auction in up to two stages. In the first, principal stage, the number of lots that are to be awarded to each winning bidder are determined, together with the base prices that have to be paid by winning bidders for their lots. In the second stage, the assignment stage, the specific frequencies that are awarded to each winning bidder are determined and any additional prices that must be paid by bidders for being assigned specific frequencies. These two stages are followed by a separate bid round for 2010-2025 MHz frequency bands. For category K there is a separate bidding stage.

Most of the spectrum allocated in the spectrum auction will become available in 2014 and 2017. The licenses awarded in the spectrum auction will be valid until December 31, 2028.

The price to be paid for the frequencies allocated in the spectrum auction equals at least the total reserve prices of the allocated frequency spectrums as indicated in the auction rules. The price will have to be paid in a single amount within 30 days of the award of the license.

The licensing terms both under the existing licenses and the licenses to be awarded in the spectrum auction impose certain obligations, in particular a coverage obligation.

The rules governing the auction process severely restrict the information about the auction process that may be publicly disseminated by any party involved in the auction, including a broad prohibition on the public dissemination of any information relating to presumed or actual bidding strategies and any statement likely to influence the behavior and participation of other parties. The agreement governing the Acquisition contains provisions to ensure that the Acquisition has to be consummated only if the Group is awarded specified minimum amounts and combinations of frequencies (unless such condition is waived) and further provides for purchase price adjustments in specified circumstances depending on the costs for certain amounts and combinations of frequencies that may be awarded in connection with the spectrum auction. See *“Risk Factors—Risks Related to Our Market and Business—Orange’s licenses and permits to provide mobile services have finite terms and are subject to an auction process in Switzerland scheduled to take place in the first quarter of 2012. The results of the auction are not expected to be made publicly available until after the completion of the Offering.”*

Transfer of License

Any transfer of radio frequency licenses is subject to the regulator’s approval. Pursuant to the provisions of the FMG, which are also reflected in the license terms, a change of control of a licensee is considered a transfer of the license and is thus subject to the regulator’s approval. As a result, the proposed Acquisition is subject to approvals of ComCom and OFCOM.

Network Infrastructure Roll-out and Deployment

With regard to the roll-out and further deployment of our mobile network in Switzerland, we are particularly subject to the proceedings and regulations concerning the construction and maintenance of antennas. All mobile operators face, in the ordinary course of business, certain disputes and particular negotiation situations in relation to the deployment of particular antennas. See *“Risk Factors—Risks Related to Our Market and Our Business—We face legal and regulatory dispute risks.”* Further, the radio emissions of antennas are subject to both regulation that is more rigid than in the EU and public discussion. Accordingly, there is a risk that the further deployment of our mobile network could encounter problems and delays due to disputes and discussions regarding the positioning of particular antennas.

Pricing

As to pricing, mobile telecommunications providers are free to set wholesale (such as roaming or call termination) and retail prices, subject to antitrust standards applicable in general and interconnection obligations as set forth in the access regime discussed above. Following a request from another mobile network operator, ComCom could pursuant to the FMG regulate MTRs (or other types of interconnection and/or access fees) on a LRIC basis if the operator was held to be market dominant in the relevant market. Although CompCo has already found that the nationwide mobile network of each operator (including ours) is to be seen as a distinct product market where every operator has a market share of 100%. We may not exclude the possibility that one of our competitors could invoke interconnection and request from ComCom (and, following an appeal, the courts) to oblige us to interconnect at regulated (LRIC) prices, thereby lowering our MTRs.

Further, there is constant political pressure to lower mobile termination rates and retail prices for mobile telecommunication in general. Swiss mobile operators, including us, had also been under antitrust scrutiny for alleged abuse of market dominant positions for the termination of mobile voice traffic in their respective networks. This investigation was terminated by CompCo in December 2011, without the imposition of any penalty on the involved parties. CompCo's decision to terminate the investigation is subject to an appeal period that runs out in early February 2012.

In September 2011 the National Council (*Nationalrat*) voted in favor of a motion brought by a member of Swiss Parliament to define maximum limits on international roaming prices. A committee of the Council of States (*Ständerat*) (the second chamber of the Federal Parliament) postponed discussion on the regulation of international roaming until spring 2012 to wait for a report of the Federal Council (*Bundesrat*) on the issue. As a result, we cannot exclude the possibility that in the future the legislator will enact rules limiting international roaming prices.

Landline Regulatory Environment

Providers of telecommunications services in Switzerland are not subject to any authorization or licensing requirements but have an obligation to notify OFCOM of their intent to provide such services. OFCOM maintains a public list of registered telecommunications providers. The Company is registered with OFCOM as landline telecommunication services provider since January 1, 2001. Foreign entities that wish to offer landline telecommunications services in Switzerland are, in addition to the requirement to register, subject to bi- or multilateral conventions and ComCom may prohibit a foreign entity from providing landline telecommunication services in Switzerland if the foreign provider's country of origin does not grant the same operational freedom to Swiss incorporated providers offering services in that particular country of origin.

A landline telecommunication services provider may base its services either on its own landline network infrastructure or on the infrastructure of other providers by means of interconnection agreements. Any provider of telecommunication services may invoke the access regime, as discussed above, to access other providers' infrastructure for the provision of its own services. Further, the infrastructure of providers that are determined to be market dominant may be used at regulated conditions and prices.

Pursuant to the regulatory framework, landline telecommunications providers are free to set their wholesale and retail prices for landline telecommunications services, with the exception of providers that have been determined to be market dominant by OFCOM, who have to offer certain access services at (*ex-post*) regulated prices, and providers of universal services, who are subjected to *ex ante* regulation of universal services.

Currently, we do not own a landline network and provide our landline services based on a reseller agreement with VTX Services SA (that itself entered into a wholesale and a carrier pre-selection agreement with Swisscom). On that basis we offer broadband internet as well as landline telecommunication services (except for carrier pre-selection and interconnection services). We have so far not requested access to the local loop and our landline operations, therefore, are not subject to the regulations concerning landline telecommunications services set out above. This would change if we decided to request access to the local loop in the future.

Other Regulatory Environment

Regulation on Transmission of TV and Radio Programs

The transmission of TV and radio programs is considered a telecommunications service and is, therefore, subject to the regulations set forth in the Swiss Telecommunications Act. Accordingly, while transmissions over mobile networks require mobile licenses, no such license is required for transmissions over landline networks.

TV offerings, such as our current mobile TV offering "Orange TV" and our OTT transactional and subscription video on demand offering "CineHome" are further subject to specific regulations pertaining to the Swiss TV and radio market and particularly the RTVG. Under the RTVG, a mobile and/or landline network operator that transmits TV and radio programs in particular needs to offer distribution to all broadcasters on a non-discriminatory basis. The RTVG further regulates the permitted contents of TV and radio and network operators must comply with orders of the regulator (OFCOM) not to distribute prohibited content. Finally, the RTVG sets forth regulations for operators regarding content that must be carried.

Further Regulations

Telecommunications service providers are subject not only to the regulatory framework set forth in the FMG and associated ordinances, but also to a number of other laws, regulations and governmental activities that

may affect their business, including antitrust law, the law against unfair competition, laws on data protection, laws on surveillance of post and telecommunications and, in case of excessive pricing by providers determined to be market dominant, general price regulation. A range of further laws are of relevance to our business, in particular laws on environment and public health, property and intellectual property, as well as laws on land use regulation and public and private construction.

MANAGEMENT

The Issuers

Senior Secured Notes Issuer

The Senior Secured Notes Issuer is a *société anonyme* incorporated and existing under the laws of Luxembourg and was formed to facilitate the Transactions. The Senior Secured Notes Issuer is a wholly-owned subsidiary of the Senior Notes Issuer and is not controlled by the Company or any of the Company's direct subsidiaries. The directors of the Senior Secured Notes Issuer are Valérie Emond and Linda Harroch as Class A Directors and Geoffrey Henry and Isabelle Probstel as Class B Directors. The address for each of the directors of the Senior Secured Notes Issuer is at Matterhorn Mobile S.A., 41 Boulevard du Prince Henri, L-1724 Luxembourg.

Senior Notes Issuer

The Senior Notes Issuer is a *société anonyme* incorporated and existing under the laws of Luxembourg and was formed to facilitate the Transactions. The directors of the Senior Notes Issuer are Valérie Emond and Linda Harroch as Class A Directors and Geoffrey Henry and Isabelle Probstel as Class B Directors. The Senior Notes Issuer is wholly owned by Olympus Midco S.à r.l., a *société à responsabilité limitée* incorporated and existing under Luxembourg law. The Senior Notes Issuer is not controlled by the Company or any of the Company's direct subsidiaries. The address for each of the directors of the Senior Notes Issuer is at Matterhorn Mobile Holdings S.A., 41 Boulevard du Prince Henri, L-1724 Luxembourg.

The Company

Board of Directors

The current board of directors of the Company (the "Board") as of September 30, 2011 consists of the following persons: Andreas Wetter (chairman), Thomas Sieber (delegate board member and CEO), Bertrand du Boucher and Benoît Scheen. After giving effect to the Transactions, we expect to have representatives of Apax, management and additional outside directors with relevant experience on our board of directors. The address for each of the directors and executive officers of Orange is Rue du Caudray 4, CH-1020 Renens, Switzerland.

Executive Officers

Set forth below is information concerning certain executive officers of Orange as of September 30, 2010.

<u>Name</u>	<u>Position</u>
Mr. Thomas Sieber	Chief Executive Officer (CEO) and VP Strategy & Corporate Affairs
Mr. Philippe Chevalier	VP Finance & Administration (CFO)
Mr. Matthias Hilpert	VP Consumer
Mr. Sebastian Prange	VP Consumer Sales
Mr. Tonio Meier	VP Customer Care
Mr. Achim Freyer	VP Enterprise
Mr. Markus Büttler	VP Wholesale
Mr. Gabriel Flichy	VP Network & IT
Mr. Sebastien Kulling	VP Customer Experience & Loyalty

Thomas Sieber joined the Company as Chief Executive Officer in August 2009. He has 23 years experience in the IT and telecommunications industry. Prior to joining the Company, Mr. Sieber was Executive VP Sales and member of the executive committee in Fujitsu Siemens Computers where he also served as VP Commercial & Channel Business and VP Channels & SME (EMEA). Mr. Sieber began his career at Hewlett Packard Switzerland in 1988 and became General Manager Small & Medium Business Segment EMEA in 2000. Mr. Sieber studied economics at the University of St. Gallen (HSG).

Philippe Chevalier serves as VP Finance & Administration (CFO) of the Company since July 2008. He has 21 years of experience in the telecommunications industry. Mr. Chevalier joined France Telecom in 1993 and held different positions within the group since that date. Prior to becoming CFO of the Company, Mr. Chevalier was Head of International Controlling of France Telecom for three years. Mr. Chevalier also served as adviser to the French minister of public service, state reform and regional development from 2002 to 2004. Mr. Chevalier graduated from Ecole Polytechnique / Corps des Ingénieurs de télécommunications (Corps des Mines) and holds an E-MBA from London Business School.

Matthias Hilpert serves as VP Consumer since March 2011. He has 13 years of experience in the telecommunications industry. Mr. Hilpert joined France Telecom in 2002 and held different senior positions within the Group since that date, including most recently Chief Sales Officer and VP Sales & Distribution of Orange Dominican Republic. Mr. Hilpert began his career in telecommunications with Avalas AG as CEO in 1999, before joining Vodafone Group in the United Kingdom in 2001. Mr Hilpert graduated from the Ludwig Maximilian University of Munich (Diplom-Kaufmann/MBA equivalent), the University of Edinburgh and the Friedrich Alexander University of Erlangen Nuremberg.

Sebastien Prange serves as VP Consumer Sales since March 2011. He has 13 years of experience working with the telecommunications and media industry. Prior to joining the Company, Mr. Prange worked for Telefonica O2 Germany as Vice President O2 shops from 2006 to 2011 and Executive Assistant to the CEO O2 Germany from 2003 to 2006. Between 2000 and 2003, Mr. Prange was a senior consultant at Cap Gemini Strategic Consulting on strategic projects in the field of telecommunications and media. Mr. Prange graduated from the University of Karlsruhe with a Master in Economical Engineering.

Tonio Meier serves as VP Customer Care since July 2010 and has been with the Company since 1999. He has 12 years of experience in the telecommunications industry. Before becoming VP Customer Care of the Company, he served as Director of Customer Service of the Company for two years. Mr. Meier holds a BBA from the University of Applied Sciences, Bern.

Achim Freyer serves as VP Enterprise since July 2008. He has 17 years of experience in various industries. Before joining the Company, Mr. Freyer worked for Dell S.A. in Switzerland and Austria from 2000 to 2008 as Sales Director, Sales and Marketing Manager. Mr. Freyer began his career with Honda S.A., Switzerland, in 1994. He holds a BBA equivalent from the Berufsakademie, Stuttgart.

Markus Bütler serves as VP Wholesale and MVNO since July 2010 and has been with the Company since 2002. He has 25 years of experience in various industries. Prior to becoming VP Wholesale and MVNO of the Company, he held various positions within the Company since 2002, including VP Marketing, head of Retail Channels and Sales Director. Mr. Bütler holds a Master in Marketing and Sales and a bachelor in Key Account Management from SAWI, Biel, and an E-MBA from the University of Lucerne.

Gabriel Flichy serves as VP Network & IT since July 2010. He has 21 years of experience in the telecommunications industry. Mr. Flichy joined France Telecom in 1990 and since then held various positions within the FT Group both in France and in the United States, predominantly in network planning and operations. Prior to becoming VP Network & IT of the Company, Mr. Flichy was Director of IT Operations and of IT Managed Services of Orange France from 2007 to 2010. Mr. Flichy graduated from Ecole Polytechnique / Corps des Ingénieurs de télécommunications.

Sebastien Kulling serves as VP Customer Experience & Loyalty since March 2010. He has 15 years of experience in various industries. Prior to joining the Company, Mr. Kulling was working for Nestlé Nespresso UK as Commercial Manager from 2005 to 2008 and New Product Development Manager from 2002 to 2005. Mr. Kulling held several other positions within Nestlé since 1998. He began his career at Ascom in 1997. Mr. Kulling holds a Bachelor in Mechanical Engineering from the University of Applied Science, Yverdon, and a Master in Management from Stanford University.

Board of Directors' Practices

The board is entrusted with the ultimate direction of the Company, as well as the supervision and control of the management. In connection with these functions, the articles of association and the organisational regulations set forth specific duties assigned to the board. The board has historically convened approximately two times per year or as required. In 2011, the board convened two times. Meetings may also be called upon the request of any member of the board indicating the items and the proposals to be submitted. Board meetings require distribution of notice and an agenda at least ten business days in advance. With assent of at least two thirds of all members of the board, the board may waive notice of all or any agenda items. Resolutions may also be passed by circular resolution, unless a member of the board demands a verbal consultation at a meeting. Majority vote is required to pass a resolution. The Board elects the chairman and may elect one or more deputy chairman. In case the CEO is a member of the board of directors, the CEO shall also carry the title of a delegate of the board of directors. The ordinary term of office for the members of the board of directors is one year. A re-election is possible.

Compensation of Directors and Executive Officers

The total remuneration of directors and executive officers for the year ended December 31, 2010 was CHF 5.9 million.

Incentive Plans

Prior to signing of the Acquisition Agreement, the Company entered into retention arrangements with certain eligible key employees including with members of the Company's management board. France Telecom Group will bear the costs of these arrangements.

Prior to the Completion Date, there existed a France Telecom Stock Option Plan and an Orange International Share Option Plan. Following the Completion Date, employees of the Company will no longer be able to benefit from those plans.

Historically, our employees have participated in bonus and/or sales incentive schemes. The bonus entitlement of individual employees is based on the performance of the Company and on the individual performance and behavior of the individual employee. As from the Completion Date, we expect to have comparable bonus and/or sales incentive schemes in place.

PRINCIPAL SHAREHOLDER

Following the Acquisition, Orange will be wholly owned by Matterhorn Mobile S.A., the Senior Secured Notes Issuer, which itself will be wholly owned by Matterhorn Mobile Holdings S.A., the Senior Notes Issuer, which in turn, will be wholly owned (through one or more holding entities) by Apax.

Apax Partners is one of the world's leading private equity investment groups. It operates across the United States, Europe and Asia and has more than 30 years of investing experience. Funds under the advice of Apax Partners total over \$40 billion around the world. These Funds provide long-term equity financing to build and strengthen world-class companies. Apax Partners Funds invest in companies across its global sectors of Tech & Telecom, Retail & Consumer, Media, Healthcare and Financial & Business Services.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Apax Service Agreement

The Senior Secured Notes Issuer and the Senior Notes Issuer intend to enter into an agreement with Apax in connection with the closing of the Acquisition which will provide for the payment by Senior Secured Notes Issuer and the Senior Notes Issuer or their direct or indirect subsidiaries an annual management fee of up to CHF 2.4 million in the aggregate to Apax or its nominee in consideration for the provision of certain consulting services to the Group. In addition, the Senior Secured Notes Issuer and the Senior Notes Issuer have agreed to pay a closing fee of CHF 24 million in the aggregate to Apax or its nominee in consideration for the services provided by Apax in connection with the Acquisition.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following summary of certain provisions of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Senior Facilities Agreement

Overview and Structure

In connection with the Financing of the Acquisition, the Senior Secured Notes Issuer and certain of its subsidiaries and the Senior Notes Issuer (as the parent of the Senior Secured Notes Issuer) have entered into a senior facilities agreement dated January 30, 2012, as amended on February 3, 2012, and as further amended from time to time (the “Senior Facilities Agreement”) with, among others, UBS AG, London Branch as facility agent and security agent, and Citigroup Global Markets Limited, Credit Suisse International, Deutsche Bank AG, London Branch, J.P. Morgan Ltd, Morgan Stanley Bank International Limited and UBS Limited, as arrangers. The Senior Facilities Agreement provides for the following:

- a CHF 225 million senior secured term loan A facility (the “Term Loan A Facility”);
- a CHF 275 million senior secured term loan B1 facility (the “Term Loan B1 Facility”);
- a CHF 125 million senior secured term loan B2 facility (the “Term Loan B2 Facility and, together with the Term Loan A Facility and Term Loan B1 Facility, the “Term Facilities”);
- a CHF 125 million multi-currency senior capital expenditure and acquisition term loan facility (the “Capex/Acquisition Facility” and, together with the Term Facilities, the “Senior Term Facilities”); and
- a CHF 100 million senior multi-currency revolving credit facility (the “Revolving Credit Facility” and, together with the Senior Term Facilities, (each a “Senior Facility” and together, the “Senior Facilities”).

A portion of the Term Loan B1 Facility and the Term Loan B2 Facility, as well as the entire Capex/Acquisition Facility will be cancelled on or prior to the Completion Date. See “*Use of Proceeds*” and “*Capitalization*.” This summary does not give effect to such cancellation.

The Term Loan A Facility and the Term Loan B1 Facility may be utilized by any current or future borrower (including the Senior Secured Notes Issuer) under the Senior Facilities Agreement in CHF. The Term Loan B2 Facility may be utilized by any current or future borrower (including the Senior Secured Notes Issuer) under the Senior Facilities Agreement in CHF (which shall be redenominated into euro immediately following drawdown in accordance with terms of the Senior Facilities Agreement). The Term Facilities may be used to finance (i) the consideration payable for the Acquisition (including any adjustments or interest payments, however structured, under the Acquisition Agreement); (ii) the repayment or discharge of existing indebtedness of the Group together with breakage costs and any other costs related to such repayment or discharge; (iii) the fees, cash and expenses incurred in connection with the Acquisition (including the financing thereof); (iv) the spectrum license expenditure; and (v) the repayment of any interim facilities, to the extent used.

The Capex/Acquisition Facility may be utilized by any current or future borrower (including the Senior Secured Notes Issuer) under the Senior Facilities Agreement in CHF, Euros, U.S. Dollars, Sterling or any other readily available or agreed currency. It may be used to finance directly or indirectly capital expenditures (including the acquisition of spectrum licenses) and acquisitions or joint venture investments (including the repayment, acquisition or discharge of any liability of any acquired person, but excluding the Acquisition), together with related cash and expenses.

The Revolving Credit Facility may be utilized by any current or future borrower under the Senior Facilities Agreement in CHF, Euros, U.S. Dollars, Sterling or any other readily available or agreed currency by the drawing of cash advances or the issue of letters of credit and ancillary facilities. The Revolving Credit Facility may be used for financing or refinancing the Group’s working capital and/or general corporate purposes (including working capital and purchase price related adjustments, however structured, in respect of the Acquisition, but not otherwise for the purpose of financing the purchase consideration payable for the Acquisition).

In addition, the Senior Notes Issuer may elect to solicit additional facilities either as a new facility or as additional tranches of any of the Senior Facilities (the “New Senior Facilities Commitments”), provided that the maximum aggregate principal amount of financial indebtedness outstanding under all such facilities or tranches may not exceed CHF 150 million (taking into account the application of proceeds of such indebtedness) and subject to certain other conditions. The Senior Notes Issuer and the lenders may agree to certain terms in relation to the New Senior Facilities Commitments, including the margin and the termination date (each subject to parameters as set out in the Senior Facilities Agreement) and the availability period.

Availability

The Term Facilities will be available up to and including the earlier of May 13, 2012 and the date falling twenty days after the Completion Date. Any amount not drawn on such dates will be canceled.

The Capex/Acquisition Facility may be utilized from the date of the first utilization of the Term Facilities until the date falling three years after the date of the first utilization of the Senior Facilities (the “SFA Closing Date”). The unutilized amount of the Capex/Acquisition Facility will be automatically canceled at the end of the availability period.

The Revolving Credit Facility may be utilized from the date of the first utilization of the Senior Term Facilities until the date falling one month prior to the termination date of the Revolving Credit Facility.

Interest and Fees

Loans under the Senior Facilities Agreement will initially bear interest at rates *per annum* equal to LIBOR or, for loans denominated in euro, Euribor, plus certain mandatory costs, if any, plus the following applicable margins, (other than in respect of any New Senior Facilities Commitments, whose margin will be determined as described in “—Overview Structure” above):

- 5.00% per annum in respect of loans under the Term Loan A Facility;
- 5.50% per annum in respect of the loans under the Term Loan B1 Facility;
- 5.50% per annum in respect of the loans under the Term Loan B2 Facility;
- 5.00% per annum in respect of loans under the Capex/Acquisition Facility; and
- 5.00% per annum in respect of loans under the Revolving Credit Facility.

A commitment fee will be payable on the aggregate undrawn and uncanceled amount of each of the Senior Facilities from the SFA Closing Date to the end of the availability period applicable to each such Senior Facility at a rate of 40% of the applicable margin for each such Senior Facility. Commitment fees will be payable quarterly in arrears, on the last date of availability of the relevant Senior Facility and on the date the relevant Senior Facility is cancelled in full or on the date on which the relevant lender cancels its commitment. No commitment fee shall be payable unless the Senior Facilities are utilized.

Default interest will be calculated as an additional 1% on the overdue amount.

We are also required to pay arrangement fees and underwriting fees, fees related to, amongst other things, the issuance of letters of credit and bank guarantees and certain fees to the Facility Agent and the Security Agent in connection with the Senior Facilities.

Repayments

Except to the extent relating to any New Senior Facilities Commitments, the Senior Facilities will be repaid as follows. The Term Loan A Facility will be repaid in semi-annual installments starting on March 31, 2013 as set forth in the following amortization schedule:

Facility A Repayment Date	Facility A Repayment Installment
March 31, 2013	CHF 5,650,000
September 30, 2013	CHF 5,650,000
March 31, 2014	CHF 20,800,000
September 30, 2014	CHF 20,800,000
March 31, 2015	CHF 27,000,000
September 30, 2015	CHF 27,000,000
March 31, 2016	CHF 34,300,000
September 30, 2016	CHF 34,300,000
March 31, 2017	CHF 24,750,000
Facility A Termination Date	CHF 24,750,000
Total	CHF 225,000,000

The Capex/Acquisition Facility will be repaid in semi-annual installments starting on September 30, 2015 as set forth in the following amortization schedule:

Capex Facility Repayment Date	Capex Facility Repayment Installment
September 30, 2015	CHF 12,500,000
March 31, 2016	CHF 18,750,000
September 30, 2016	CHF 18,750,000
March 31, 2017	CHF 25,000,000
September 30, 2017	CHF 25,000,000
Capex Facility Termination Date	CHF 25,000,000
Total	CHF 125,000,000

The repayment schedules referred to in each of the amortization tables above reflect the current draft of the Senior Facilities Agreement as of the date hereof. Each repayment installment amount set out in the tables above is subject to adjustment in accordance with the prepayment and repayment provisions of the Senior Facilities Agreement. Each of the repayment schedules set out above may also be amended or waived in whole or in part in accordance with terms of the Senior Facilities Agreement.

The Term Loan B1 Facility and the Term Loan B2 Facility will be repaid in full on the termination date in respect of such facilities, which is seven years after the SFA Closing Date.

In respect of the Revolving Credit Facility, each advance will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date. All outstanding amounts under the Revolving Credit Facility will be repaid on the termination date in respect of such facility, which is six years after the SFA Closing Date. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be reborrowed during the availability period for that facility, subject to certain conditions.

The Senior Facilities Agreement requires that if any revolving loan (with certain exceptions) is made on the SFA Closing Date, the Senior Notes Issuer shall procure that at least once in the 12 month period following the SFA Closing Date, the aggregate amount of all revolving loans (with certain exceptions) outstanding less any cash or cash equivalents held by the Group is no greater than CHF 5,000,000 for a period of not less than five successive days. We do not currently expect that the Revolving Credit Facility will be drawn as of the Completion Date.

Mandatory Prepayment

The Senior Facilities Agreement allows for voluntary prepayments (subject to *de minimis* amounts) and requires mandatory prepayment in full or in part in certain circumstances, including:

- on a change of control of the Senior Notes Issuer (except as permitted under the Senior Facilities Agreement) or sale of the whole or substantially the whole of the business and assets of the Group;
- for any public offering of any member of the Group, a percentage of the net proceeds therefrom received by a member of the Group, which percentage decreases as the Group's leverage ratio decreases;
- from net cash proceeds received by the Group from certain disposals of assets, certain downward adjustments in the cash purchase price for the Acquisition, certain insurance claims and certain recovery claims from the vendors and report providers, in each case to the extent that such net cash proceeds exceed certain agreed thresholds and have not satisfied other conditions; and
- for each financial year which commences after the Closing Date, a percentage of excess cash flow (which may be net of a minimum threshold amount) less voluntary prepayments made during such year, which percentage decreases as the Group's leverage ratio decreases.

Guarantees

The Senior Notes Issuer and the Senior Secured Notes Issuer will provide a senior guarantee of all amounts payable to the finance parties under the Senior Facilities Agreement and the hedging banks under the hedging

agreements relating to the Senior Facilities. In addition, within 60 days of the Completion Date, Orange and Orange Network SA are also each expected to provide a senior guarantee with respect to the Senior Facilities.

Each subsidiary of the Senior Notes Issuer incorporated in Luxembourg or Switzerland that is or becomes a Material Company (as defined in the Senior Facilities Agreement), will be required to provide, by a specified time, a senior guarantee of all amounts payable to the finance parties under the Senior Facilities and the hedging banks under the hedging agreements relating to the Senior Term Facilities and grant security over its material assets (subject to agreed security principles).

Furthermore, if on the last day of a financial year of the Senior Notes Issuer, the guarantors represent less than 80% of each of the consolidated EBITDA or the total assets of the Group (subject to certain exceptions), within 60 days of delivery of the annual financial statements for the relevant financial year, such other subsidiaries of the Senior Notes Issuer (subject to agreed security principles) will become additional guarantors until the requirement is satisfied (to be calculated as if such additional guarantors had been guarantors on such last day of the relevant financial year).

Security

The Senior Facilities will initially be secured (subject to the Agreed Security Principles under, and as defined in, the Senior Facilities Agreement), on an equal and ratable first-priority basis, by the same collateral as the Senior Secured Notes.

In addition, any material subsidiary or other member of the Group which is to become a guarantor of the Senior Facilities (as described above) is required (subject to the Agreed Security Principles) to grant security over its material assets in favor of the security agent under the Senior Facilities.

Representations and Warranties

The Senior Facilities Agreement contains customary representations and warranties (subject to certain exceptions qualifications and with certain ones being repeated), including:

- corporate representations including status and incorporation, binding obligations, non-conflict with constitutional documents, laws or other obligations, power and authority, consents and filings, validity and admissibility in evidence and *pari passu* ranking;
- no insolvency, no litigation or labor dispute, no breach of laws, environmental compliance and no environmental claims and payment of taxes;
- no default and no misleading information in the information memorandum;
- no security, guarantees or financial indebtedness, except as permitted;
- ownership of shares acquired and ownership of or right to use all material assets;
- ownership, use of and no infringement of intellectual property rights and compliance with pension obligations;
- equity documents and acquisition documents contain all material terms;
- no trading activities of the Senior Secured Notes Issuer and the Senior Notes Issuer prior to the date of the Senior Facilities Agreement;
- accounting reference date and financial statements fairly present in all material respects the consolidated financial condition of the Group and were prepared in all material respects in accordance with accounting principles consistently applied; and
- accuracy of the group structure chart and certain corporate documentation.

Covenants

The Senior Facilities Agreement contains customary operating and financial covenants (see “—*Financial Covenants*”), subject to certain exceptions and qualifications, including covenants restricting the ability of certain members of the Group to:

- make acquisitions or investments, including entering into joint ventures;
- make loans or grant guarantees;

- incur indebtedness or enter into certain derivatives contracts;
- repay Senior Notes or Senior Secured Notes prior to their respective scheduled repayment dates;
- repay subordinated debt;
- amend, transfer, waive or terminate Acquisition Agreement and the related documents;
- create security over assets;
- dispose of assets;
- merge with other companies;
- enter into transactions with certain connected persons other than on arm's length terms;
- agree to contractual restrictions on ability of members of the Group to move cash to another member of the Group and for certain Group members to hold cash balances in excess of specified amounts;
- issue shares, pay dividends, redeem share capital or make payments to shareholders; and
- make a substantial change to the general nature of the business of the Group taken as a whole and, in the case of the Senior Notes Issuer, acting other than as a holding company.

The Senior Facilities Agreement also requires certain members of the Group to observe certain affirmative covenants, including covenants relating to:

- maintenance of guarantor and security coverage and further assurances;
- maintenance of ownership of the Senior Secured Notes Issuer (or other common holding company of the Group) by the Senior Notes Issuer;
- maintenance of relevant authorizations;
- maintenance of insurance;
- compliance with laws, including environmental laws and regulations;
- payment of taxes;
- provision of financial and other information and (in certain circumstances) granting access to books and records to the lenders and the facility agent and the security agent;
- maintenance of pari passu ranking of the Senior Facilities;
- maintenance of assets required to conduct business;
- maintenance of intellectual property; and
- compliance with obligations relating to pension schemes.

Subject to certain exceptions set out in the Senior Facilities Agreement, the Senior Notes Issuer may not, and shall procure that no other member of the Group will, repay, prepay, purchase, defease, redeem or otherwise acquire or retire the principal amount of any Senior Secured Notes debt or the Senior Notes debt (or, in each case, any refinancing thereof as permitted under the Senior Facilities Agreement from time to time) prior to its scheduled repayment date in any manner which involves the payment of cash consideration of the Group to a person which is not a member of the Group.

Upon (i) a public offering of the Senior Notes Issuer or certain of its holding companies and an achievement of a leverage ratio equal to or less than 2.50:1 (*pro forma* for any prepayment of certain indebtedness from the proceeds of such public offering) or (ii) an achievement by the Senior Secured Notes Issuer (or any of its affiliates) of a long-term corporate credit rating of Baa3/BBB- or better by Moody's or S&P, certain of the covenants of the Senior Facilities Agreement will be suspended.

Financial Covenants

The Senior Facilities Agreement will require the Group to comply with certain financial covenants. The ratios are based on the definitions in the Senior Facilities Agreement, which may differ from similar definitions in the Indentures and the equivalent definitions described in this Prospectus.

Cashflow Cover

The ratio of consolidated cash flow to consolidated net debt service in respect of any relevant period (each a period of twelve months ending on the last day of each quarter) shall not, at the end of that relevant measurement period, be less than 1.00:1.00.

Interest Cover

The ratio of consolidated EBITDA for any relevant measurement period ending on any quarter date specified in Column 1 below to consolidated net finance charges in respect of that relevant measurement period shall not be less than the ratio set out in Column 2 opposite the expiry date for that relevant measurement period.

Column 1	Column 2
Relevant Period expiring on or about:	Ratio
December 31, 2012	2.60:1
March 31, 2013	2.60:1
June 30, 2013	2.65:1
September 30, 2013	2.65:1
December 31, 2013	2.70:1
March 31, 2014	2.75:1
June 30, 2014	2.75:1
September 30, 2014	2.80:1
December 31, 2014	2.80:1
March 31, 2015	2.90:1
June 30, 2015	2.90:1
September 30, 2015	3.00:1
December 31, 2015	3.00:1
March 31, 2016	3.25:1
June 30, 2016	3.25:1
September 30, 2016	3.50:1
December 31, 2016	3.50:1
March 31, 2017	3.75:1
June 30, 2017	3.75:1
September 30, 2017	3.75:1
December 31, 2017	4.00:1
Each quarter date thereafter	4.00:1

Debt Cover

The ratio of consolidated total net debt of the Group as at the last day of a relevant measurement period ending on of the dates set out in Column 1 below to consolidated EBITDA of the Group for that relevant measurement period shall not exceed the ratio set out in Column 2 opposite such date.

Column 1	Column 2
Relevant Period expiring on or about:	Ratio
December 31, 2012	5.20:1
March 31, 2013	5.20:1
June 30, 2013	5.20:1
September 30, 2013	5.20:1
December 31, 2013	5.20:1
March 31, 2014	5.10:1
June 30, 2014	5.10:1
September 30, 2014	4.95:1
December 31, 2014	4.95:1
March 31, 2015	4.75:1
June 30, 2015	4.75:1
September 30, 2015	4.50:1
December 31, 2015	4.20:1
March 31, 2016	4.00:1
June 30, 2016	3.75:1
September 30, 2016	3.75:1
December 31, 2016	3.50:1
March 31, 2017	3.40:1
June 30, 2017	3.25:1
September 30, 2017	3.00:1
December 31, 2017	2.90:1
Each quarter date thereafter	2.75:1

Capital Expenditures

The aggregate amount of capital expenditures paid by the Group in any financial year of the Senior Notes Issuer specified in Column 1 below shall not exceed the amount set out in Column 2 below opposite that financial year.

Column 1	Column 2
Financial year ending:	Amount (CHF million)
December 31, 2012	225
December 31, 2013	215
December 31, 2014	175
December 31, 2015	155
December 31, 2016	160
December 31, 2017	170
December 31, 2018	170

The financial covenants referred to above reflect the current draft of the Senior Facilities Agreement as of the date of this Prospectus and may be subject to certain adjustments following the date hereof as part of the syndication process for the Senior Facilities. These financial covenants may also be amended or waived in whole or in part in accordance with terms of the Senior Facilities Agreement.

Events of Default

The Senior Facilities Agreement contains certain events of default, the occurrence of which would allow the requisite majority of lenders (under and as defined in the Senior Facilities Agreement) to, amongst other actions, accelerate all outstanding loans and terminate their commitments, including, among other events (subject in certain cases to agreed grace periods, financial thresholds and other qualifications):

- failure to pay of amounts when due under the finance documents entered into in connection with the Senior Credit Facilities;
- breach of any financial covenant or failure to comply with other obligations under the Senior Facilities finance documents;
- inaccuracy of a representation or statement when made;
- cross defaults, including any event of default under either series of Notes;
- unlawfulness, repudiation, invalidity or unenforceability of the finance documents entered into in connection with the Senior Facilities;
- insolvency, insolvency proceedings and commencement of certain creditors' processes, such as expropriation, attachment, sequestration, distress or execution;
- cessation of business;
- commencement of material litigation or environmental claim;
- material adverse change;
- audit qualification, which is materially prejudicial to the interest of the lenders of the Senior Facilities, taken as a whole;
- breach of material obligations under the Intercreditor Agreement by any holding company of the Senior Notes Issuer;
- curtailment of ability to conduct business by seizure, expropriation, nationalization, intervention or other restriction by any government, regulatory or other authority; and
- revocation of material telecommunications licenses.

Bridge Facilities

A multicurrency bridge facility agreement in the committed amount of CHF 325,000,000 was entered into on January 30, 2012, between, amongst others, the Senior Secured Notes Issuer (as the borrower), the Senior Notes Issuer (as an original guarantor), Citigroup Global Markets Limited, Credit Suisse International, Deutsche Bank AG, London Branch, J.P. Morgan Limited, Morgan Stanley Bank International Limited and UBS Limited as Arrangers, UBS AG, London Branch as Senior Parent Bridge Facility Agent and security agent (the "Senior Bridge Facility Agreement"). The Senior Bridge Facility Agreement was amended on February 3, 2012. It is not currently anticipated that any amount will be drawn under the Senior Bridge Facility Agreement.

A Euro-denominated bridge facility agreement in the committed amount of the Euro equivalent of CHF 325,000,000 was entered into on January 30, 2012, between, amongst others, the Senior Notes Issuer (as the borrower), the Senior Secured Notes Issuer (as an original guarantor), Citigroup Global Markets Limited, Credit Suisse International, Deutsche Bank AG, London Branch, J.P. Morgan Limited, Morgan Stanley Bank International Limited and UBS Limited as Arrangers, UBS AG, London Branch as Senior Parent Bridge Facility Agent and security agent (the "Senior Parent Bridge Facility Agreement"). The Senior Parent Bridge Facility Agreement was amended on February 3, 2012. It is not currently anticipated that any amount will be drawn under the Senior Parent Bridge Facility Agreement.

Existing Shareholder Loan

As of September 30, 2011, Orange had an outstanding aggregate amount of CHF 917 million due to Atlas Belgium comprising a shareholder loan, which will be repaid on the Completion Date pursuant to the Acquisition Agreement.

Cross-Currency Swaps and Certain Other Hedging Arrangements

Following the pricing of the Senior Notes offering, the Senior Notes Issuer expects to enter into foreign exchange hedging transactions with one or more dealers to hedge its exposure to the euro under the Senior Notes. Such hedging transactions are contingent on the occurrence of the consummation of the Acquisition; to the extent the Acquisition does not occur, the swaps will terminate without any payment being due either to, or from, the Issuers.

On or about the Completion Date, the Senior Secured Notes Issuer expects to enter into foreign exchange hedging transactions with one or more dealers to hedge its exposure to the euro under the Floating Rate Senior Secured Notes and the Senior Facilities Agreement. The Senior Secured Notes Issuer is also expected to enter into certain interest rate hedging transactions with one or more dealers to hedge its floating rate interest exposure under the Senior Facilities Agreement.

Intercreditor Agreement

General

To establish the relative rights of certain of our creditors under our financing arrangements, the Senior Secured Notes Issuer (“Company”), the Senior Notes Issuer (“Parent”), each of the Guarantors and any other entity which accedes to the Intercreditor Agreement as a debtor (together the “Debtors”) have entered into the Intercreditor Agreement dated January 30, 2012 and amended on February 3, 2012, with, among others, the Security Agent, the lenders under our Senior Facilities Agreement and the senior agent under our Senior Facilities Agreement (“Senior Facility Agent”). On or prior to the Completion Date, the Senior Notes Trustee and the Senior Parent Notes Trustee will accede to the Intercreditor Agreement. The Intercreditor Agreement is governed by English law and sets out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of debt of the Debtors, when enforcement action can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

By accepting a Senior Note and/or a Senior Parent Note, the relevant holder thereof shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement. The following description is a summary of certain provisions, among others, that are contained in the Intercreditor Agreement and which relate to the rights and obligations of the holders of the Senior Notes and the Senior Parent Notes. It does not restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the discussion that follows, defines certain rights of the holders of the Senior Notes and Senior Parent Notes.

Capitalized terms set forth and used in this section entitled “—*Intercreditor Agreement*” have the same meanings as set forth in the Intercreditor Agreement, which may have different meanings from the meanings given to such terms and used elsewhere in this Prospectus. In particular, in this section, the term “Senior Notes” means the Senior Secured Notes (as defined elsewhere in this Prospectus) issued by Matterhorn Mobile S.A. and the term “Senior Parent Notes” means the Senior Notes (as defined elsewhere in this Prospectus) issued by Matterhorn Mobile Holdings S.A. A copy of the Intercreditor Agreement shall be made available to investors upon request.

The Intercreditor Agreement includes references to senior secured bridge loans and senior bridge loans, which may be issued in note form, subject to certain conditions. If issued, these would be treated on the same basis as the Senior Notes and the Senior Parent Notes, respectively under the Intercreditor Agreement. The senior secured bridge loans and senior bridge loans are not currently expected to be drawn.

Definitions:

The following defined terms are used in this summary of the Intercreditor Agreement:

“Permitted Parent Financing Agreement” means, in relation to any Permitted Parent Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Parent Financing Debt is made available or, as the case may be, issued.

“Permitted Parent Financing Creditors” means, in relation to any Permitted Parent Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Parent Financing Debt from time to time (including the applicable Senior Parent Creditor Representative).

“Permitted Parent Financing Debt” means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Parent in writing as indebtedness to be treated as “Permitted Parent Financing Debt” for the purposes of the Intercreditor Agreement, provided that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the

providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Parent Financing Debt have agreed to become a party to the Intercreditor Agreement in each case unless already a party in that capacity.

“Permitted Parent Financing Documents” means, in relation to any Permitted Parent Financing Debt, the Permitted Parent Financing Agreement, any fee letter entered into under or in connection with the Permitted Parent Financing Agreement and any other document or instrument relating to that Permitted Parent Financing Debt and designated as such by the Parent and the Senior Parent Creditor Representative in respect of that Permitted Parent Financing Debt.

“Permitted Parent Financing Liabilities” means all liabilities of any Debtor to any Permitted Parent Financing Creditors under or in connection with the Permitted Parent Financing Documents.

“Permitted Senior Financing Agreement” means, in relation to any Permitted Senior Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Senior Financing Debt is made available or, as the case may be, issued.

“Permitted Senior Financing Creditors” means, in relation to any Permitted Senior Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Senior Financing Debt from time to time (including the applicable Senior Creditor Representative).

“Permitted Senior Financing Debt” means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Parent in writing as indebtedness to be treated as “Permitted Senior Financing Debt” for the purposes of the Intercreditor Agreement provided that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt have agreed to become a party to the Intercreditor Agreement in each case to the extent not already a party in that capacity.

“Permitted Senior Financing Documents” means, in relation to any Permitted Senior Financing Debt, the Permitted Senior Financing Agreement, any fee letter entered into under or in connection with the Permitted Senior Financing Agreement and any other document or instrument relating to that Permitted Senior Financing Debt and designated as such by the Parent and the Senior Creditor Representative under that Permitted Senior Financing Debt.

“Permitted Senior Financing Liabilities” means all liabilities of any Debtor to any Permitted Senior Financing Creditors under or in connection with the Permitted Senior Financing Documents.

“Senior Creditors” means the Senior Lenders and certain hedge counterparties.

“Senior Creditor Representative” means in relation to any Permitted Senior Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt.

“Senior Parent Creditors” means the Senior Parent Note holders, each trustee under any issue of such Senior Parent Notes and any Permitted Parent Financing Creditors.

“Senior Parent Creditor Representative” means in relation to any Permitted Parent Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Parent Financing Debt.

Debt Refinancing

The Intercreditor Agreement permits any of the liabilities under the debt documents to be refinanced, replaced, increased or otherwise restructured in whole or in part including by way of Permitted Senior Financing Debt and/or Permitted Parent Financing Debt or the issue of additional Senior Notes and/or Senior Parent Notes and the introduction of a super senior revolving credit facility (the “Priority Revolving Facility”) (each a, “Debt Refinancing”). Each party to the Intercreditor Agreement shall be required to enter into any amendment to or replacement of the then current Secured Debt Documents and/or take such other action as is required by the Parent in order to facilitate such a Debt Refinancing including changes to, the taking of, or release and retake of any guarantee or security, subject to certain conditions. At the option of the Parent a Debt Refinancing may be made available on a basis which is senior to, *pari passu* with or junior to any of the other liabilities, shall be entitled to benefit from all or any of the security, may be made available on a secured or unsecured basis (subject to certain restrictions) and may be effected in whole or in part by way of a debt exchange, non-cash rollover or other similar or equivalent transaction, in each case unless otherwise prohibited by the Debt Financing Agreements. Under the terms of the Intercreditor Agreement each agent, each Secured Party and each Primary Creditor agrees that it shall co-operate with the Parent, each other member of the Group and each agent in order to facilitate any Debt Refinancing (including by way of, at the request and cost of the Parent, executing any document or agreement and/or giving instructions to any person). In the event of any refinancing or replacement

of all or any part of the Senior Lender Liabilities (or any such refinancing or replacement indebtedness from time to time), the Parent shall be entitled to require that the definition of Instructing Group is amended such that the relevant refinancing or replacement indebtedness is treated in the same manner as the Senior Facilities (meaning that for the purpose of calculating the voting entitlement of any person, at the option of the Parent all or any part of the relevant refinancing or replacement indebtedness may be treated as Senior Secured Credit Participations of the Senior Creditors and not Senior Notes/Permitted Financing Credit Participations). In the event that any Priority Revolving Facility becomes subject to the provisions of the Intercreditor Agreement, the Parent shall be entitled to require that all or any part of the liabilities in relation to certain permitted hedging (the “Hedging Liabilities”) shall rank in right and priority of payment *pari passu* with that Priority Revolving Facility (which, for the avoidance of doubt, may result in such Hedging Liabilities ranking ahead of the Senior Notes liabilities and/or the Senior Parent Notes liabilities), and/or the Permitted Senior Financing Liabilities and/or the Permitted Parent Financing Liabilities in each case unless otherwise prohibited by the Debt Financing Agreements.

Any Priority Revolving Facility implemented pursuant to a Debt Refinancing shall comply with, amongst others, the following limitations:

Ranking of a Debt Refinancing

No liabilities or obligations in respect of any Priority Revolving Facility may rank in right and priority of payment ahead of the amounts set out in paragraph (i) of the section captioned “—*Application of Proceeds*.”

Subject to the paragraph above and to the extent not otherwise prohibited by the Debt Financing Agreements, any Priority Revolving Facility shall rank in right and priority of payment as determined by the Parent.

Enforcement: Debt Refinancing

The right of the lenders or other creditors in respect of a Priority Revolving Facility to:

- (a) instruct the Security Agent to enforce the security;
- (b) give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the security as they see fit; and/or
- (c) otherwise provide instructions as, or as part of, an Instructing Group,

shall be generally consistent with, or otherwise not materially less favourable to the other Secured Parties than, those customary for facilities of a similar nature to that Priority Revolving Facility (if any), in each case as at the date such Priority Revolving Facility is contractually committed by the relevant member(s) of the Group and as determined by the Parent (with any such determination to be conclusive).

Option to Purchase

- (a) The Senior Note holders and the Permitted Senior Financing Creditors shall be provided with an ‘option to purchase’ right in relation to any liabilities in respect of a Priority Revolving Facility consistent in all material respects with the ‘option to purchase’ right provided in relation to the Senior Lender Liabilities as set out in the paragraph captioned “—*Payment Obligations and Capitalization of Interest Continue—Option to Purchase: Senior Secured Creditors*.”
- (b) The Senior Parent Agent(s) shall be provided with an ‘option to purchase’ right in relation to any liabilities in respect of a Priority Revolving Facility consistent in all material respects with the ‘option to purchase’ right as set out in the paragraph captioned “—*Payment Obligations and Capitalization of Interest Continue—Option to Purchase: Senior Parent Creditors*.”

Ranking and Priority

Priority of Debts

Subject to the provisions set out in the caption “—*Senior Parent Liabilities and Security*” below, the Intercreditor Agreement provides that the liabilities owed by the Debtors (other than the Parent) to the creditors in relation to the Senior Facilities, certain hedging obligations, the Senior Notes, the Senior Parent Notes, the Permitted Senior Financing Debt and the Permitted Parent Financing Debt (the “Primary Creditors”) shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- first, the liabilities of the lenders, issuing banks and ancillary lenders under the Senior Facilities (each a “Senior Lender” and such liabilities the “Senior Lender Liabilities”), the Senior Notes liabilities and the Permitted Senior Financing Liabilities, the Hedging Liabilities, amounts due to the Senior Notes Trustee and amounts due to the Senior Parent Notes Trustee *pari passu* and without any preference between them; and

- second, the Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities *pari passu* between themselves and without any preference between them.

The liabilities owed by the Parent to the Primary Creditors shall rank *pari passu* in right and priority of payment without any preference amongst them.

Priority of Security

The security shall secure the relevant liabilities (but only to the extent that such security is expressed to secure the relevant liabilities) in the order provided for under the caption “—*Application of Proceeds*.”

Senior Parent Liabilities and Security

The Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities owed by the Parent are senior obligations of the Parent. Notwithstanding the preceding sentence, until the date the Senior Lender Liabilities, the Hedging Liabilities, the Senior Notes liabilities and the Permitted Senior Financing Liabilities have been discharged (the “Senior Discharge Date”), creditors in relation to the Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities may not take any steps to appropriate the assets of the Parent subject to the Security Documents in connection with any Enforcement Action (as defined below), other than as expressly permitted by the Intercreditor Agreement.

Intra-Group Liabilities and Investor Liabilities

The Intercreditor Agreement provides that the intra-group liabilities of the Group and the liabilities of the Group to an investor are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors.

Additional and/or Refinancing Debt

The creditors under the Intercreditor Agreement acknowledge in the Intercreditor Agreement that the Debtors (or any of them) may wish to incur incremental borrowing liabilities (including guarantees of such liabilities) or refinance or replace borrowing liabilities (including incurring guarantee liabilities in respect of such refinancing or replacement). Such liabilities are intended to rank *pari passu* with any other liabilities and/or share *pari passu* in any security and/or to rank behind any other liabilities and/or to share in any security behind any such other liabilities.

The creditors under the Intercreditor Agreement undertake in the Intercreditor Agreement (at the cost of the Debtors) to co-operate with the Parent and the Debtors with a view to enabling and facilitating such financing, refinancing or replacement and such sharing in the security to take place in a timely manner. In particular, each of the secured parties authorizes and directs each of its respective agents and the Security Agent to execute any amendment to the Intercreditor Agreement and such other debt documents required by the Parent to reflect, enable and/or facilitate any such arrangements.

Restrictions Relating to Senior Secured Liabilities

The Parent and the Debtors may make payments of the senior secured liabilities at any time, provided that following the occurrence of an acceleration event with respect to the Senior Facilities Agreement, the Senior Notes and/or any Permitted Senior Financing Debt, which is continuing, no Debtor may make (and no Senior Secured Creditor (as defined below) may receive) payments of Senior Lender Liabilities, Senior Notes liabilities or Permitted Senior Financing Liabilities except for recoveries distributed in accordance with the provisions set out under the caption “—*Application of Proceeds*.”

The Intercreditor Agreement provides that the Senior Secured Creditors (as defined below), the Parent and the Debtors may at any time amend or waive the terms of the finance documents in relation to the Senior Facilities, the Senior Notes and the Permitted Senior Financing Debt, in accordance with their respective terms from time to time (and subject only to any consent required under them).

Security and Guarantees: Senior Secured Creditors

The Senior Lenders, certain hedge counterparties, the Senior Note holders and any Permitted Senior Financing Creditors (the “Senior Secured Creditors”) may take, accept or receive the benefit of:

- any security from any member of the Group in respect of any of the Senior Lender Liabilities, the Senior Notes liabilities or the Permitted Senior Financing Liabilities in addition to the shared security provided that, to the extent legally possible and subject to certain agreed security principles:

- the security provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);
 - all amounts actually received or recovered by any Senior Secured Creditor with respect to any such security shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption “—*Application of Proceeds*,” and
 - any such security may only be enforced in accordance with the provisions set out under the caption “—*Enforcement of Security—Security Held by Other Creditors*.”
- any guarantee, indemnity or other assurance against loss from any member of the Group regarding any of the Senior Lender Liabilities, the Senior Notes liabilities or the Permitted Senior Financing Liabilities in addition to those in:
- the Senior Facilities Agreement, the Senior Notes Indenture or any Permitted Senior Financing Document;
 - the Intercreditor Agreement; or
 - any guarantee, indemnity or other assurance against loss in respect of any of the liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to certain agreed security principles, given to all the senior secured parties in respect of their senior secured liabilities,

provided that, to the extent legally possible, and subject to certain agreed security principles,

- the guarantee provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity); and
- such guarantee, indemnity or assurance against loss is expressed to be subject to the Intercreditor Agreement.

This provision does not require any security or guarantee to be granted in respect of the Senior Parent Notes.

Restriction on Enforcement: Senior Lenders and Senior Notes Creditors

The Intercreditor Agreement provides that none of the Senior Lenders, the Senior Note holders or any Permitted Senior Financing Creditors may take certain Enforcement Action without the prior written consent of an Instructing Group (as defined below).

Notwithstanding the above restriction or anything to the contrary in the Intercreditor Agreement, after the occurrence of certain specified insolvency events (an “Insolvency Event”) in relation to a Debtor, each Senior Lender, Senior Note holder or Permitted Senior Financing Creditor may, to the extent it is able to do so under the relevant debt documents, take certain Enforcement Action and/or claim in the winding up, dissolution, administration, reorganization or similar insolvency event of that Debtor for liabilities owing to it (but may not direct the Security Agent to enforce the common security in any manner).

Option to Purchase: Senior Secured Creditors

Senior Note holders holding at least a simple majority of the Senior Notes liabilities or Permitted Senior Financing Creditors holding at least a simple majority of the Permitted Senior Financing Liabilities (the “Senior Secured Acquiring Creditors”) may, after the occurrence of an acceleration event which is continuing, by giving not less than ten (10) days’ notice to the Security Agent, require the transfer to them (or to a nominee or nominees), in accordance with the applicable transfer provisions of the Intercreditor Agreement, of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities if:

- (i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement;
- (ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement are complied with, other than:
 - (A) any requirement to obtain the consent of, or consult with, a member of the Group in relation to such transfer, which consent or consultation shall not be required; and

- (B) to the extent to which all the Senior Secured Acquiring Creditors provide cash cover for any letter of credit, the consent of the relevant letter of credit issuing bank relating to such transfer;
- (iii) the Senior Facility Agent, on behalf of the Senior Lenders, is paid an amount equal to the aggregate of:
 - (A) any amounts provided as cash cover by the Senior Secured Acquiring Creditors for any letter of credit (as envisaged in paragraph (ii)(B) above);
 - (B) all of the Senior Lender Liabilities at that time (whether or not due), including all amounts that would have been payable under the Senior Facilities Agreement if the Senior Facilities were being prepaid by the relevant Debtors on the date of that payment; and
 - (C) all costs and expenses (including legal fees) incurred by the Senior Facility Agent and/or the Senior Lenders and/or the Security Agent as a consequence of giving effect to that transfer;
- (iv) as a result of that transfer, the Senior Lenders have no further actual or contingent liability to a Debtor under the Senior Facilities finance documents;
- (v) an indemnity is provided from each of the Senior Secured Acquiring Creditors (other than any Senior Agent) or from another third party acceptable to all the Senior Lenders in a form reasonably satisfactory to each Senior Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender in consequence of any sum received or recovered by any Senior Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender for any reason;
- (vi) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, except that each Senior Lender 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 authorise the making by it of that transfer; and
- (vii) the Senior Parent Creditors have not exercised their rights to purchase as described under the provisions set out in the paragraph captioned “—*Option to Purchase: Senior Parent Creditors*” or, having exercised such rights, have not failed to complete the acquisition of the relevant Senior Secured Liabilities in accordance with such provisions.

Subject to the Intercreditor Agreement, the Senior Secured Acquiring Creditors may only require a Senior Lender Liabilities transfer if, at the same time, they require a transfer of the hedging agreements in accordance with the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no Senior Lender Liabilities transfer may be required to be made.

At the request of a Senior Agent (on behalf of the Senior Secured Acquiring Creditors), the Senior Facility Agent shall notify that Senior Agent of the foregoing payable sums in connection with such transfer.

“Instructing Group” means at any time:

- (a) prior to the Senior Discharge Date, those Senior Secured Creditors whose Senior Secured Credit Participations at that time aggregate to more than 66⅔% of the Total Senior Secured Credit Participations at that time, provided that if the Senior Notes/Permitted Financing Credit Participations at that time are greater than 50% but less than 66⅔% of the Total Senior Secured Credit Participations:
 - (i) the Senior Notes/Permitted Financing Credit Participations shall be deemed to be reduced to constitute 50% of the Total Senior Secured Credit Participations and the Senior Secured Credit Participation of each Senior Notes/Permitted Financing Creditor shall be deemed to be correspondingly reduced pro rata; and
 - (ii) the Senior Secured Credit Participations of the Senior Creditors shall be deemed to be increased to constitute 50% of the Total Senior Secured Credit Participations and the Senior Secured Credit Participation of each Senior Creditor shall be deemed to be correspondingly increased pro rata; and
- (b) on or after the Senior Discharge Date but before the Senior Parent Discharge Date, and subject always to the applicable provisions of the Intercreditor Agreement, the Majority Senior Parent Creditors.

In this definition of “Instructing Group”:

“Majority Senior Parent Creditors” means, at any time, those Senior Parent Creditors whose Senior Parent Credit Participations at that time aggregate to more than 66⅔% of the total aggregate amount of all Senior Parent Credit Participations at that time.

“Senior Parent Credit Participation” means:

- (a) in relation to a Senior Parent Note holder, the principal amount of outstanding Senior Parent Notes Liabilities held by that Senior Parent Note holder; and

- (b) in relation to a Permitted Parent Financing Creditor, the aggregate amount of its commitments under each Permitted Parent Financing Agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Parent Financing Debt held by that Permitted Parent Financing Creditor (as applicable and without double counting).

“Senior Notes/Permitted Financing Credit Participations” means the aggregate of all the Senior Secured Credit Participations at any time of the Senior Note holders and the Permitted Senior Financing Creditors.

“Senior Secured Credit Participation” means:

- (a) in relation to a Senior Creditor, its Senior Credit Participation in relation to the Senior Facilities Agreement and the hedging agreements only;
- (b) in relation to a Senior Note holder, the principal amount of outstanding Senior Notes liabilities held by that Senior Note holder; and
- (c) in relation to a Permitted Senior Financing Creditor, the aggregate amount of its commitments under each Permitted Senior Financing Agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Senior Financing Debt held by that Permitted Senior Financing Creditor (as applicable and without double counting).

“Total Senior Secured Credit Participations” means the aggregate of all the Senior Secured Credit Participations at any time.

Restrictions relating to Senior Parent Creditors and Senior Parent liabilities

Restriction on Payment and Dealings

The Intercreditor Agreement provides that, until the Senior Discharge Date, the Parent shall not (and shall ensure that no member of the Group will):

- (i) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities in cash or in kind or apply any such money or property in or towards discharge of any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities except as permitted by the provisions set out below under the captions “—*Permitted Senior Parent Payments*,” “—*Permitted Senior Parent Enforcement*,” and the fourth paragraph under the caption “—*Effect of Insolvency Event; Filing of Claims*” or by a refinancing of the Senior Parent Notes or the Permitted Parent Financing Debt as permitted by the Intercreditor Agreement;
- (ii) exercise any set-off against any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities, except as permitted by the provisions set out in the caption “—*Permitted Senior Parent Payments*” below, the provisions set out in the caption “—*Restrictions on Enforcement by Senior Parent Creditors*” below or the fourth paragraph under the caption “—*Effect of Insolvency Event; Filing of Claims*” below or by a refinancing of the Senior Parent Notes or the Permitted Parent Financing Debt as permitted by the Intercreditor Agreement; or
- (iii) create or permit to subsist any security over any assets of any member of the Group or give any guarantee (and the Senior Parent Notes Trustee or Senior Parent Creditor Representative, as the case may be, may not, and no Senior Parent Creditor may, accept the benefit of any such security or guarantee from any member of the Group) for, or in respect of, any Senior Parent Notes liabilities or any Permitted Parent Financing Liabilities other than:
 - (a) guarantees by a member of the Group of any obligations of the Group under the Senior Parent Notes finance documents and/or the Permitted Parent Financing Documents;
 - (b) at the option of the Parent, all or any of the security (provided that, for the avoidance of doubt, each of the parties agrees that the security shall rank and secure any Senior Parent Notes and any Permitted Parent Financing Debt as set out in “—*Ranking and Priority—Priority of Security*”;
 - (c) any security over any assets of the Parent (other than, without prejudice to paragraph (b) above, shares and loan receivables in the Company over which the Parent has granted security);
- (iv) any other security or guarantee provided by a member of the Group (the “Credit Support Provider”) provided that, to the extent legally possible:
 - (a) the Credit Support Provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);
 - (b) all amounts actually received or recovered by the Senior Parent Notes Trustee, the Senior Parent Creditor Representative or the Senior Parent Creditors, as the case may be, with respect

to any such guarantee shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption “—*Application of Proceeds*;”

- (c) any such security may only be enforced in accordance with the provisions set out under the caption “—*Enforcement of Security—Security Held by Other Creditors*;” and
- (d) such guarantee is expressed to be subject to the Intercreditor Agreement; and
- (v) any security, guarantee, indemnity or other assurance against loss from any member of the Group in connection with:
 - (a) any escrow or similar or equivalent arrangements entered into in respect of amounts which are being held (or will be held) by a person which is not a member of the Group prior to release of those amounts to a member of the Group; or
 - (b) any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Senior Lender Liabilities, Senior Notes liabilities and any Permitted Senior Financing Liabilities (in each case provided that such defeasance, redemption, prepayment, repayment, purchase or other discharge is not prohibited by the terms of the Intercreditor Agreement).

Permitted Senior Parent Payments

Prior to the Senior Discharge Date, any member of the Group may make payments with respect to the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities then due in accordance with the finance documents in relation to the Senior Parent Notes and the Permitted Parent Financing Debt (such payments, collectively, “Permitted Senior Parent Payments”):

- (i) if:
 - (A) the payment is of:
 - (I) any of the principal amount of the Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities which is either (1) not prohibited from being paid by the Senior Facilities Agreement, the Senior Notes Indenture or any Permitted Senior Financing Agreement; or (2) paid on or after the final maturity date of the relevant Senior Parent Notes liabilities and Permitted Parent Financing Liabilities (subject to certain conditions); or
 - (II) any other amount which is not an amount of principal or capitalized interest;
 - (B) no Senior Parent Payment Stop Notice (as defined below) is outstanding; and
 - (C) no payment default under the Senior Facilities Agreement, the Senior Notes or the Permitted Senior Financing Documents (“Senior Payment Default”) has occurred and is continuing; or
- (ii) if the Majority Senior Lenders, the Senior Notes Trustee and the Majority Senior Financing Creditors or the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (as applicable) (the “Required Senior Consent”) give prior consent to that payment being made; or
- (iii) if the payment is of certain amounts due to the Senior Parent Notes Trustee for its own account;
- (iv) if the payment is made by the Parent and funded directly or indirectly with amounts which have not been received by the Parent from another member of the Group;
- (v) of any costs and expenses of any holder of security in relation to protection, preservation or enforcement of such security;
- (vi) of costs, commissions, taxes, fees and expenses incurred in respect of or in relation to (or reasonably incidental to) any of the Senior Parent Notes Indenture and any Permitted Parent Financing Documents (including in relation to any reporting or listing requirements under such documents);
- (vii) if the payment is funded directly or indirectly with Permitted Parent Financing Debt; or
- (viii) of any other amount not exceeding CHF 5,000,000 (or its equivalent) in aggregate in any financial year of the Parent.

On or after the Senior Discharge Date, the Debtors may make payments to the Senior Parent Creditors in respect of the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities in accordance with the Senior Parent Notes Indenture and the Permitted Parent Financing Documents, as applicable.

Payment Blockage Provisions

Until the Senior Discharge Date, except with the Required Senior Consent, the Parent shall not make (and shall procure that no other member of the Group shall make), and neither the Senior Parent Notes Trustee, any holder of Senior Parent Notes or the Permitted Parent Financing Creditors may receive from the Parent or any other members of the Group, any Permitted Senior Parent Payment (other than certain amounts due to the Senior Parent Notes Trustee for its own account, payments funded by amounts not received from another member of the Group or payments funded by Permitted Parent Financing Debt) if:

- a Senior Payment Default is continuing; or
- an event of default under the Senior Facilities Agreement, the Senior Notes Indenture and/or any Permitted Senior Financing Agreement (a “Senior Event of Default”) (other than a Senior Payment Default) is continuing, from the date which is one business day after the date on which any of the Senior Facility Agent, the Senior Notes Trustee and any Senior Creditor Representative (together, the “Senior Agents”) delivers a payment stop notice (a “Senior Parent Payment Stop Notice”) specifying the event or circumstance in relation to that Senior Event of Default to the Parent, the Security Agent, the Senior Parent Notes Trustee and any Senior Parent Creditor Representative until the earliest of:
 - the date falling 179 days after delivery of that Senior Parent Payment Stop Notice;
 - in relation to payments of the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities, if a Parent standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires;
 - the date on which the relevant Senior Event of Default has been remedied or waived in accordance with the Senior Facilities Agreement, the Senior Notes Indenture or any Permitted Senior Financing Agreement (as applicable);
 - the date on which the Senior Agent which delivered the relevant Senior Parent Payment Stop Notice delivers a notice to the Parent, the Security Agent, the Senior Parent Notes Trustee and any Senior Parent Creditor Representative cancelling the Senior Parent Payment Stop Notice;
 - the Senior Discharge Date; and
 - the date on which the Security Agent, the Senior Parent Notes Trustee or any Senior Parent Creditor Representative takes Enforcement Action permitted under the Intercreditor Agreement against a Debtor.

Unless the Senior Parent Notes Trustee and any Senior Parent Creditor Representative waive this requirement, (i) a new Senior Parent Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Parent Payment Stop Notice; and (ii) no Senior Parent Payment Stop Notice may be delivered by a Senior Agent in reliance on a Senior Event of Default more than 45 days after the date that Senior Agent received notice of that Senior Event of Default.

The Senior Agents may only serve one Senior Parent Payment Stop Notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Senior Agents to issue a Senior Parent Payment Stop Notice in respect of any other event or set of circumstances. No Senior Parent Payment Stop Notice may be served in respect of a Senior Event of Default which had been notified to the Senior Agents at the time at which an earlier Senior Parent Payment Stop Notice was issued.

Any failure to make a payment due under the Senior Parent Notes Indenture and any Permitted Parent Financing Documents as a result of the issue of a Senior Parent Payment Stop Notice or the occurrence of a Senior Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined in the Senior Parent Notes Indenture or any Permitted Parent Financing Documents, as applicable) as a consequence of that failure to make a payment in relation to the relevant Senior Parent Notes Indenture and any Permitted Parent Financing Documents; or (ii) the issue of a Senior Parent Enforcement Notice (as defined below) on behalf of the Senior Parent Creditors.

Payment Obligations and Capitalization of Interest Continue

No Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under the Senior Parent Notes Indenture and any Permitted Parent Financing Document by the operation of the provisions set out under each section above under the caption “—*Senior Parent Creditors and Senior Parent Liabilities*” even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalization of interest (if any) in accordance with the Senior Parent Notes Indenture and any Permitted Parent Financing Document shall continue notwithstanding the issue of a Senior Parent Payment Stop Notice.

Cure of Payment Stop

If:

- (i) at any time following the issue of a Senior Parent Payment Stop Notice or the occurrence of a Senior Payment Default, that Senior Parent Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Payment Default ceases to be continuing; and
- (ii) the relevant Debtor then promptly pays to the Senior Parent Creditors an amount equal to any payments which had accrued under the Senior Parent Notes Indenture and any Permitted Parent Financing Document and which would have been Permitted Senior Parent Payments but for that Senior Parent Payment Stop Notice or Senior Payment Default,

then any Event of Default (including any cross default or similar provision under any other debt document) which may have occurred as a result of that suspension of payments shall be waived and any Senior Parent Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Senior Parent Creditors or any other Creditor.

Restrictions on Amendments and Waivers

The Intercreditor Agreement provides that the Senior Parent Creditors, the Parent and the other Debtors may amend or waive the terms of the Senior Parent Notes finance documents and/or the Permitted Parent Financing Documents in accordance with their terms at any time (and subject only to any consent required under them).

Restrictions on Enforcement by Senior Parent Creditors

Until the Senior Discharge Date, except with the prior consent of or as required by an Instructing Group:

- (i) no Senior Parent Creditor shall direct the Security Agent to enforce, or otherwise require the enforcement of any security; and
- (ii) no Senior Parent Creditor shall take or require the taking of any Enforcement Action in relation to the guarantees by a member of the Group of any of the obligations of any member of the Group under the Senior Parent Notes finance documents and/or Permitted Parent Financing Documents,

except as permitted under the provisions set out under the caption “—*Permitted Senior Parent Enforcement*” below, *provided, however*, that no such action required by the Security Agent need be taken except to the extent the Security Agent otherwise is entitled under the Intercreditor Agreement to direct such action.

“Enforcement Action” is defined as:

- in relation to any liabilities:
 - the acceleration of any liabilities or the making of any declaration that any liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Secured Creditor or a Senior Parent Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, any of the debt documents);
 - the making of any declaration that any liabilities are payable on demand;
 - the making of a demand in relation to a liability that is payable on demand;
 - the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;
 - the exercise of 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 but excluding any such right which arises as a result of the permitted debt purchase transactions provisions of the Senior Facilities Agreement (or any other similar or equivalent provision of any of the Senior Facilities finance documents), the Senior Notes finance documents, the Permitted Senior Financing Documents, the hedging agreements regulated by the Intercreditor Agreement, the Senior Parent Notes finance documents and/or the Permitted Parent Financing Documents (the “Secured Debt Documents”) and/or any other acquisition of liabilities, acquisition or

transaction which any member of the Group is not prohibited from entering into by the terms of the Secured Debt Documents and excluding any mandatory offer arising as a result of a change of control or asset sale (howsoever described) as set out in the Senior Notes finance documents or the Senior Parent Notes finance documents (or any other similar or equivalent provision of any of the Secured Debt Documents);

- the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any liabilities other than the exercise of any such right:
 - as close-out netting by a hedge counterparty or by a hedging ancillary lender;
 - as payment netting by a hedge counterparty or by a hedging ancillary lender;
 - as inter-hedging agreement netting by a hedge counterparty;
 - as inter-hedging ancillary document netting by a hedging ancillary lender; and/or
 - which is otherwise permitted by the terms of any of the Secured Debt Documents, in each case to the extent that the exercise of that right gives effect to a permitted payment; and
- the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any liabilities;
- the premature termination or close-out of any hedging transaction under any hedging agreement, save to the extent permitted by the Intercreditor Agreement;
- the taking of any steps to enforce or require the enforcement of any security (including the crystallization of any floating charge forming part of the security),
- the entering into of any composition, compromise, assignment or similar arrangement with any member of the Group which owes any liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the liabilities (other than any action permitted under the Intercreditor Agreement or any debt buy-back, tender offer, exchange offer or similar or equivalent arrangement not otherwise prohibited by the debt documents); or
- 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, dissolution, administration or reorganization of any member of the Group which owes any liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction,

except that the following shall not constitute Enforcement Action:

- the taking of any action falling above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; or
- a Senior Secured Creditor or Senior Parent Creditor bringing legal proceedings against any person solely for the purpose of: (a) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is party, (b) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages or (c) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages; or
- bringing legal proceedings against any person in connection with any securities violation, securities or listing regulations or common law fraud; or
- to the extent entitled by law, the taking of any action against any creditor (or any agent, trustee or receiver acting on behalf of that creditor) to challenge the basis on which any sale or disposal is to take place pursuant to the powers granted to those persons under any relevant documentation; or
- any person consenting to, or the taking of any other action pursuant to or in connection with, any merger, consolidation, reorganization or any other similar or equivalent step or transaction initiated or undertaken by a member of the Group (or any analogous procedure or step in any jurisdiction) that is not prohibited by the terms of the Secured Debt Documents to which it is a party.

Permitted Senior Parent Enforcement

The restrictions set out in the caption “—*Restrictions on Enforcement by Senior Parent Creditors*” above will not apply if:

- (i) an Event of Default (as defined in the Senior Parent Notes Indenture and any Permitted Parent Financing Agreement, as applicable, each a “Senior Parent Event of Default”) (the “Relevant Senior Parent Default”) is continuing;
- (ii) each Senior Agent has received a notice of the Relevant Senior Parent Default specifying the event or circumstance in relation to the Relevant Senior Parent Default from the Senior Parent Notes Trustee or the Senior Parent Creditor Representative, as the case may be;
- (iii) a Senior Parent Standstill Period (as defined below) has elapsed; and
- (iv) the Relevant Senior Parent Default is continuing at the end of the relevant Senior Parent Standstill Period.

Promptly upon becoming aware of a Senior Parent Event of Default, the Senior Parent Notes Trustee or the Senior Parent Credit Representative, as the case may be, may by notice (a “Senior Parent Enforcement Notice”) in writing notify the Senior Agents of the existence of such Senior Parent Event of Default.

Senior Parent Standstill Period

In relation to a Relevant Senior Parent Default, a Senior Parent Standstill Period shall mean the period beginning on the date (the “Senior Parent Standstill Start Date”) the relevant Senior Agent serves a Senior Parent Enforcement Notice on each of the Senior Agents in respect of such Senior Parent Event of Default and ending on the earlier to occur of:

- (i) the date falling 179 days after the Senior Parent Standstill Start Date (the “Senior Parent Standstill Period”);
- (ii) the date the Senior Secured Parties take any Enforcement Action in relation to a particular guarantor of the Senior Parent Notes and any Permitted Parent Financing Debt (a “Senior Parent Guarantor”), *provided, however*, that if a Senior Parent Standstill Period ends pursuant to this paragraph, the Senior Parent Creditors may only take the same Enforcement Action in relation to the Senior Parent Guarantor as the Enforcement Action taken by the Senior Secured Parties against such Senior Parent Guarantor and not against any other member of the Group;
- (iii) the date of an Insolvency Event in relation to the Parent or a particular Senior Parent Guarantor against whom Enforcement Action is to be taken;
- (iv) the expiry of any other Senior Parent Standstill Period outstanding at the date such first mentioned Senior Parent Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);
- (v) the date on which the consent of each of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), any Senior Parent Notes Trustee (acting on behalf of the Senior Note holders) and any Senior Creditor Representative (acting on the instructions the Majority Permitted Senior Financing Creditors) has been obtained; and
- (vi) a failure to pay the principal amount outstanding under the Senior Parent Notes or on any Permitted Parent Financing Debt, as the case may be, at the final stated maturity of the amounts outstanding under the Senior Parent Notes or on the Permitted Parent Financing Debt, as the case may be (provided that, unless the Senior Lender Discharge Date has occurred or as otherwise agreed by the Majority Senior Lenders and the Parent, such final stated maturity has not been amended to fall on a date prior to the date falling 7 years and 6 months after the date of first utilisation under the Senior Facilities Agreement).

Subsequent Senior Parent Event of Default

The Senior Parent Finance Parties and the Parent, as applicable, may take Enforcement Action under the provisions set out in caption “—*Permitted Senior Parent Enforcement*” above in relation to a Senior Parent Event of Default even if, at the end of any relevant Senior Parent Standstill Period or at any later time, a further Senior Parent Standstill Period has begun as a result of any other Senior Parent Event of Default.

Enforcement on Behalf of Senior Parent Creditors

If the Security Agent has notified each of the Senior Parent Notes Trustee and any Senior Parent Creditor Representative (the “Senior Parent Agents”) that it is enforcing security created pursuant to any security document over shares of a Senior Parent Guarantor, no Senior Parent Creditor may take any action referred to under the provisions set out under the caption “—*Permitted Senior Parent Enforcement*” above against that Senior Parent Guarantor while the Security Agent is taking steps to enforce that security in accordance with the instructions of the Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

Option to Purchase: Senior Parent Creditors

Subject to the following paragraphs, any of the Senior Parent Agents (on behalf of the Senior Parent Creditors) may, after an acceleration event under any of the Senior Facilities Agreement, the Senior Notes or in relation to any Permitted Senior Financing Debt which is continuing, by giving not less than 10 days’ notice to the Security Agent, require the transfer to the Senior Parent Creditors of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities, the Senior Notes liabilities and the Permitted Senior Financing Liabilities (the “Senior Secured Liabilities”) if:

- (i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement, the Senior Notes Indenture and any Permitted Senior Financing Agreement (as applicable);
- (ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), the Senior Notes Indenture (in the case of the Senior Notes liabilities) and any Permitted Senior Financing Agreement (in the case of the Permitted Senior Financing Liabilities) are complied with, in each case, other than as specified in the Intercreditor Agreement;
- (iii) each of the Senior Facility Agent, on behalf of the Senior Lenders, the Senior Notes Trustee, on behalf of the relevant Senior Note holders and the applicable Senior Creditor Representative, on behalf of the relevant Permitted Senior Financing Creditors, is paid the amounts required under the Intercreditor Agreement;
- (iv) as a result of that transfer the Senior Lenders, the Senior Note holders and the Permitted Senior Financing Creditors have no further actual or contingent liability to the Parent or any Debtor under the relevant Secured Debt Documents;
- (v) an indemnity is provided from each Senior Parent Creditor (other than any Senior Parent Agent) in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender, Senior Note holder or Permitted Senior Financing Creditor in consequence of any sum received or recovered by any such party from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender, Senior Note holder or Permitted Senior Financing Creditor for any reason; and
- (vi) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, the Senior Note holders or the Permitted Senior Financing Creditors, except that each of them 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 authorise the making by it of that transfer.

Subject to the Intercreditor Agreement, a Senior Parent Agent (on behalf of all the Senior Parent Creditors) may only require a transfer of Senior Secured Liabilities if, at the same time, they require a transfer of hedging agreements regulated by the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no transfer of Senior Secured Liabilities may be required to be made.

At the request of a Senior Parent Agent (on behalf of all the Senior Parent Creditors), the Senior Facility Agent, the Senior Notes Trustee and any relevant Senior Creditor Representative shall notify the Senior Parent Agents of the foregoing payable sums in connection with such transfer.

Effect of Insolvency Event; Filing of Claims

The Intercreditor Agreement provides that, among other things, after the occurrence of an Insolvency Event in relation to any Debtor, or, following an acceleration event which is continuing, any member of the Group, any

party entitled to receive a distribution out of the assets of that member of the Group in respect of liabilities owed to that party shall, (if prior to a distress event, only if required by the Security Agent arising on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent and to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to pay that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full. In this respect, the Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption “—*Application of Proceeds*” below.

Subject to certain exceptions, to the extent that any member of Group’s liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any creditor which benefited from that set-off shall (if prior to a distress event, only if required by the Security Agent arising on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent, pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out in the caption “—*Application of Proceeds*” below and subject to certain exceptions.

Subject to the provisions set out in the caption “—*Application of Proceeds*” below, if the Security Agent or any other secured party receives a distribution in a form other than in cash in respect of any of the liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards the liabilities.

After the occurrence of an Insolvency Event in relation to any Debtor or, following an acceleration event which is continuing, any member of the Group, each creditor irrevocably authorizes the Security Agent, on its behalf, to:

- (i) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group;
- (ii) demand, sue, prove and give receipt for any or all of that member of Group’s liabilities;
- (iii) collect and receive all distributions on, or on account of, any or all of that member of Group’s liabilities; and
- (iv) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of Group’s liabilities.

Each creditor will (i) do all things that the Security Agent reasonably requests in order to give effect to the matters referred to in this “—*Effect of Insolvency Event; Filing of Claims*” section and (ii) if the Security Agent is not entitled to take any of the actions contemplated by this “—*Effect of Insolvency Event; Filing of Claims*” section or if the Security Agent requests that a creditor take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require, although the Senior Notes Trustee and the Senior Parent Notes Trustee shall be under no obligation to grant such powers of attorney) to enable the Security Agent to take such action.

Turnover

Subject to certain exceptions, the Intercreditor Agreement provides that if any creditor receives or recovers from any member of the Group:

- (i) any payment or distribution of, or on account of or in relation to, any of the liabilities which is prohibited under the Intercreditor Agreement;
- (ii) other than as referred to in the second paragraph of the caption “—*Effect of Insolvency Event; Filing of Claims*” any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;
- (iii) any amount:
 - (A) on account of, or in relation to, any of the liabilities after the occurrence of a distress event including as a result of any other litigation or proceedings against a member of the Group other than after the occurrence of an Insolvency Event in respect of that member of the Group; or
 - (B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of a distress event,

other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption “—*Application of Proceeds*”;

- (iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption “—*Application of Proceeds*”; or
- (v) subject to certain exceptions, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of Group which is not in accordance with the provisions set out in the caption “—*Application of Proceeds*” and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of Group,

that creditor will, subject to certain exceptions: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) subject to receiving payment instructions and any other relevant information the Security Agent, promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Enforcement of Security

Enforcement Instructions

The Security Agent may refrain from enforcing the security unless instructed otherwise by (i) the Instructing Group; or (ii) if required as set out under the third paragraph of this section, the Majority Senior Parent Creditors.

Subject to the security having become enforceable in accordance with its terms (i) the Instructing Group; or (ii) to the extent permitted to enforce or to require the enforcement of the security prior to the Senior Discharge Date under the provisions under the caption “—*Senior Parent Creditors and Senior Parent Liabilities*” above, the Majority Senior Parent Creditors, may give or refrain from giving, instructions to the Security Agent to enforce, or refrain from enforcing, the security as they see fit.

Prior to the Senior Discharge Date, (i) if the Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from the Instructing Group, and, in each case, the Instructing Group has not required any Debtor to make a distressed disposal, the Security Agent shall give effect to any instructions to enforce the security which the Majority Senior Parent Creditors are then entitled to give to the Security Agent under the provisions under the caption “—*Senior Parent Creditors and Senior Parent Liabilities*” above.

Subject to certain provisions of the Intercreditor Agreement, no secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the Security Agent.

Manner of Enforcement

If the security is being enforced as set forth above under the caption “—*Enforcement Instructions*,” the Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as:

- the Instructing Group; or
- prior to the Senior Discharge Date, if (i) the Security Agent has, pursuant to the third paragraph of this “—*Enforcement of Security*” section, given effect to instructions given by the Majority Senior Parent Creditors to enforce the security; and (ii) the Instructing Group has not given instructions as to the manner of enforcement of the security, the Majority Senior Parent Creditors,

shall instruct or, in the absence of any such instructions, as the Security Agent sees fit.

Exercise of Voting Rights

To the fullest extent permitted under applicable law, each creditor (other than the Senior Notes Trustee and the Senior Parent Notes Trustee) shall agree with the Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the

Security Agent. The Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group. Notwithstanding the foregoing, no party can exercise or require any other creditor under the Intercreditor Agreement to exercise its power of voting or representation to waive, reduce, discharge, extend the due date for payment or otherwise reschedule any of the liabilities owed to that creditor.

Waiver of Rights

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the secured parties and the Debtors waives all rights it may otherwise have to require that the security 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 or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

Security Held by Other Creditors

If any security is held by a creditor other than the Security Agent, then that creditor may only enforce that security in accordance with instructions given by an Instructing Group pursuant to the terms of the Intercreditor Agreement (and for this purpose references to the Security Agent shall be construed as references to that creditor).

Duties Owed

Pursuant to the Intercreditor Agreement, each of the secured parties and the Debtors acknowledges that, in the event that the Security Agent enforces, or is instructed to enforce, the security prior to the Senior Discharge Date, the duties of the Security Agent and of any receiver or delegate owed to any Senior Parent Creditors in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that security shall be no different to or greater than the duty that is owed by the Security Agent, receiver or delegate to the Debtors under general law.

Consultation Period

Subject to the immediately following paragraph, before giving any instructions to the Security Agent to enforce the security or to take any other Enforcement Action, the agent(s) of the creditors represented in the Instructing Group concerned shall consult with each other agent and the Security Agent in good faith about the instructions to be given by the Instructing Group for a period of up to 15 days (or such shorter period as each agent and the Security Agent shall agree) (the "Consultation Period"), and only following the expiry of a Consultation Period, shall the Instructing Group be entitled to give any instructions to the Security Agent to enforce the security or take any other Enforcement Action.

No agent of the creditors represented in the Instructing Group shall be obliged to consult in accordance with the immediately preceding paragraph, and the Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the security or take any other Enforcement Action prior to the end of a Consultation Period if:

- (i) the security has become enforceable as a result of an Insolvency Event; or
- (ii) the Instructing Group or any agent of the creditors represented in the Instructing Group determines in good faith (and notifies each other agent and the Security Agent) that to enter into such consultations and thereby delay the commencement of enforcement of the security would reasonably be expected to have a material adverse effect on:
 - (A) the Security Agent's ability to enforce any of the security; or
 - (B) the realization proceeds of any enforcement of the security.

Proceeds of Disposals

Non-Distressed Disposals

The Security Agent is irrevocably authorized and instructed (at the request and cost of the relevant Debtor or the Parent) to promptly release (or procure that any other relevant person releases):

- (i) any security (and/or any other claim relating to a debt document) over any asset which is the subject of:
 - (A) a disposal not prohibited by the terms of the Senior Facilities Agreement, the Senior Notes Indenture, any Permitted Senior Financing Agreement, the Senior Parent Notes Indenture and any

Permitted Parent Financing Agreement (each a “Debt Financing Agreement”) (including a disposal to a member of the Group, but without prejudice to any obligation of any member of the Group in a Debt Financing Agreement to provide replacement security); or

- (B) any other transaction not prohibited by the terms of any Debt Financing Agreement pursuant to which that asset will cease to be held or owned by a member of the Group;
- (ii) any security (and/or any other claim relating to a debt document) over any document or agreement in order for any member of the Group to effect any amendment or waiver in respect of that document or agreement or otherwise exercise any rights, comply with any obligations or take any action in relation to that document or agreement (in each case to the extent not prohibited by the terms of any Debt Financing Agreement);
- (iii) any security (and/or any other claim relating to a debt document) over any asset of any member of the Group which has ceased to be a Debtor; and
- (iv) any security (and/or any other claim relating to a debt document) over any other asset to the extent that such release is in accordance with the terms of the Debt Financing Agreements.

In the case of a disposal of shares in a Debtor (or any holding company of any Debtor), or any other transaction pursuant to which a Debtor (or any holding company of any Debtor) will cease to be a member of the Group, the Security Agent shall promptly release (or procure the release of) that Debtor and its subsidiaries from all present and future liabilities under the Secured Debt Documents.

When making any request for a release pursuant to this “—*Non-Distressed Disposals*” section, the Parent shall confirm in writing to the Security Agent that:

- (i) in the case of any release requested pursuant to paragraph (i) or (ii) above, the relevant disposal or other action is not prohibited by the terms of any Debt Financing Agreement; or
- (ii) in the case of any release requested pursuant to paragraph (iv) above, the relevant release is in accordance with terms of the Debt Financing Agreements,

and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

In the case of any release of security requested by the Parent pursuant to the applicable provisions of the Senior Facilities Agreement as part of a permitted transaction under the Senior Facilities Agreement, when making that request the Parent shall confirm to the Security Agent that:

- (i) such request is a permitted transaction request (and absent any such statement in a request for a release the Security Agent shall be entitled to assume for all purposes that such request is not a permitted transaction request); and
- (ii) it has determined in good faith (taking into account any applicable legal limitations and other relevant considerations in relation to that permitted transaction) that it is either not possible or not desirable to implement that permitted transaction on terms satisfactory to the Parent by instead granting additional security and/or amending the terms of the existing security,

and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

The Security Agent shall (at the cost and expense of the relevant Debtor or the Parent but without the need for any further consent, sanction, authority or further confirmation from any Creditor or Debtor) promptly enter into and deliver such documentation as the Parent (acting reasonably) shall require to give effect to any release described above.

If any member of the Group is required or permitted under the Senior debt documents to apply the proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of the Senior Lender Liabilities, the Hedging Liabilities, the Senior Notes liabilities or the Permitted Senior Financing Liabilities (as applicable) (together, the “Senior Liabilities”) then no such application of those proceeds shall require the consent of any other party or result in any breach of any Senior Parent Finance Documents and such application shall discharge in full any obligation to apply those proceeds in prepayment, redemption or other discharge or reduction of any Senior Parent Liabilities.

Distressed Disposals

A “Distressed Disposal” is a disposal of an asset which is (a) being effected at the request of an Instructing Group in circumstances where the security has become enforceable in accordance with the terms of the relevant security documents, (b) being effected by enforcement of security in accordance with the terms of the relevant security documents or (c) being disposed of to a third party subsequent to a distress event.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor or Debtor):

- (i) to release the security or any other claim over that asset and execute and deliver or enter into any release of that security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;
- (ii) if the asset which is disposed of consists of shares in the capital of a Debtor to release:
 - (A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;
 - (B) any security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and
 - (C) any other claim of an investor, an intra-group lender, or another Debtor over that Debtor’s assets or over the assets of any subsidiary of that Debtor,on behalf of the relevant creditors, Debtors and agents;
- (iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor, to release:
 - (A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantees liabilities and its other liabilities;
 - (B) any security granted by that holding company or any subsidiary of that holding company over any of its assets; and
 - (C) any other claim of any investor, any intra-group lender or another Debtor over that holding company’s assets or the assets of any subsidiary of that holding company,on behalf of the relevant creditors, Debtors and agents;
- (iv) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities or the Debtor liabilities owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:
 - (A) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities or Debtor liabilities (the “Transferee”) will be treated as a Primary Creditor or the Security Agent, any receiver or delegate and each of the agents, the arrangers, the Senior Secured Creditors and the Senior Parent Creditors (each a “Secured Party”) for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtor liabilities, *provided* that, notwithstanding any other provision of any debt document, the Transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and
 - (B) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of: all (and not part only) of the liabilities owed to the Primary Creditors and all or part of any other liabilities and the Debtor liabilities,on behalf of, in each case, the relevant creditors and Debtors;
- (v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the “Disposed Entity”) and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (the “Receiving Entity”) all or any part of the

Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of the intra-group liabilities or the Debtor liabilities, to execute and deliver or enter into any agreement to:

- (A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and
- (B) (if the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of Senior Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Debtor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Security Agent for application in accordance with the provisions set out under the caption "*—Application of Proceeds*" as if those proceeds were the proceeds of an enforcement of the security and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Security Agent (acting in accordance with the Intercreditor Agreement), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

Where borrowing liabilities in respect of any Senior Liabilities would otherwise be released pursuant to the Intercreditor Agreement, the creditor concerned may elect to have those borrowing liabilities transferred to the Parent or the Company (provided, in the case of a transfer to the Company, it will remain a subsidiary of the Parent after the relevant Distressed Disposal), in which case the Security Agent is irrevocably authorized (to the extent legally possible and at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing liabilities.

Subject to the immediately following paragraph, in the case of a Distressed Disposal effected by or at the request of the Security Agent, unless the consent of each Senior Agent is otherwise obtained, it is a further condition to any release, transfer or disposal that the proceeds of such disposal are in cash (or substantially all in cash) and such sale or disposal is made pursuant to a public auction in respect of which the Primary Creditors are entitled to participate or where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view.

If prior to the discharge date for the Senior Parent Notes or any Permitted Parent Financing Debt, a Distressed Disposal is being effected such that the Senior Parent Notes Guarantees and the guarantees of any Permitted Parent Financing Debt or any security over the assets of the Parent or any Senior Parent Guarantor (including the shares in and/or any loan to the Company) will be released and/or the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities will be released, it is a further condition to the release that either:

- the Senior Parent Notes Trustee and any Senior Parent Creditor Representative has approved the release; or
- where shares or assets of a Senior Parent Guarantor or assets of the Parent are sold:

(A) the proceeds of such sale or disposal are in cash (or substantially in cash);

(B) all claims of the Senior Secured Creditors (other than in relation to performance bonds or guarantees or similar instruments) against a member of the Group (if any), all of whose shares (other than any minority interest not owned by members of the Group) are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that, if each Senior Agent (acting reasonably and in good faith):

- (I) determines that the Senior Secured Creditors will recover a greater amount if such claim is sold or otherwise transferred to the purchaser or one of its affiliates and not released or discharged; and
- (II) serves a written notice on the Security Agent confirming the same,

the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and

(C) such sale or disposal is made:

- (I) pursuant to a public auction in respect of which the Primary Creditors are entitled to participate; or
- (II) where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view.

Application of Proceeds

The Intercreditor Agreement provides that secured parties may only benefit from Recoveries (as defined below) to the extent that the liabilities of such secured parties has the benefit of the guarantees or security under which such Recoveries are received and provided that, in all cases, the rights of such secured parties shall in any event be subject to the priorities set out in this section. This shall not prevent a Senior Secured Creditor benefiting from such Recoveries where it was not legally possible for the Senior Secured Creditor to obtain the relevant guarantees or security.

Order of Application

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any debt document or in connection with the realization or enforcement of all or any part of the security (for the purposes of this “—*Application of Proceeds*” section, the “Recoveries”) shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this “—*Application of Proceeds*” section), in the following order of priority:

- (i) in discharging any sums owing to the Senior Facility Agent (in respect of the amounts due to the Senior Facility Agent), any Senior Creditor Representative (in respect of amounts due to the Senior Creditor Representative), any Senior Parent Creditor Representative (in respect of amounts due to the Senior Parent Creditor Representative) or any Senior Notes Trustee amounts or Senior Parent Notes Trustee amounts, or any sums owing to the Security Agent, any receiver or any delegate on a pro rata and *pari passu* basis;
- (ii) in payment of all costs and expenses incurred by any agent or Primary Creditor in connection with any realization or enforcement of the security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;
- (iii) in payment to:
 - (A) the Senior Facility Agent on its own behalf and on behalf of the senior arrangers and the Senior Lenders;
 - (B) each Senior Notes Trustee on its own behalf and on behalf of the holders of the Senior Notes;
 - (C) each Senior Creditor Representative on its own behalf and on behalf of the arrangers with respect to the Permitted Senior Financing Debt and the Permitted Senior Financing Creditors; and
 - (D) certain hedge counterparties party to the Intercreditor Agreement,for application towards the discharge of:
 - (I) the liabilities of the arrangers under the Senior Facilities and the Senior Lender Liabilities (in accordance with the terms of the finance documents in relation to the Senior Facilities);
 - (II) the Senior Notes liabilities (other than sums owing to the Security Agent) (in accordance with the terms of the Senior Notes finance documents);
 - (III) the liabilities of the arrangers under the Permitted Senior Financing Debt and the Permitted Senior Financing Liabilities (other than liabilities owing to the Senior Creditor Representative) (in accordance with the terms of the Permitted Senior Financing Documents and, if there is more than one Permitted Senior Financing Agreement, on a pro rata basis between the Permitted Senior Financing Debt in respect of each Permitted Senior Financing Agreement); and
 - (IV) the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each hedge counterparty),

on a *pro rata* basis *pari passu* between the immediately preceding paragraphs (I), (II), (III) and (IV) above;

(iv) in payment to:

- (A) each Senior Parent Notes Trustee on its own behalf and on behalf of the Senior Parent Note holders; and
- (B) each Senior Parent Creditor Representative on its own behalf and on behalf of the arrangers under the Permitted Parent Financing Debt and the Permitted Parent Financing Creditors,

for application towards the discharge of:

- (I) the Senior Parent Notes liabilities (other than any sums owing to the Security Agent) (in accordance with the terms of the Senior Parent Notes finance documents); and
- (II) the liabilities of the arrangers under the Permitted Parent Financing Debt and the Permitted Parent Financing Liabilities (other than the Permitted Parent Financing Agent Liabilities) (in accordance with the terms of the Permitted Parent Financing Documents and, if there is more than one Permitted Parent Financing Agreement, on a *pro rata* basis between the Permitted Parent Financing Debt in respect of each Permitted Parent Financing Agreement),

on a *pro rata* basis between paragraphs immediately preceding (I) and (II);

- (v) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and
- (vi) the balance, if any, in payment to the relevant Debtor.

Liabilities of the Parent

All amounts from time to time received or recovered by the Security Agent from or in respect of the Parent pursuant to the terms of any debt document (other than in connection with the realization or enforcement of all or any part of the security) shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law in the following order of priority:

- (i) in accordance with paragraph (i) of the section captioned “—*Order of application*;”
- (ii) in accordance with paragraphs (iii) and (iv) of the section captioned “—*Order of application*,” *provided* that payments will be made on a *pro rata* basis and *pari passu* between each of the payments referred to in paragraphs (iii) and (iv);
- (iii) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and
- (iv) the balance, if any, in payment to the relevant Debtor.

Equalization of the Senior Secured Creditors

The Intercreditor Agreement provides that if, for any reason, any Senior Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Secured Creditors in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Secured Creditors at the enforcement date, the Senior Secured Creditors (subject, in the case of amounts owing to the Trustees, to the terms of the Intercreditor Agreement) will make such payments amongst themselves as the Security Agent shall require to put the Senior Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

Required Consents

The Intercreditor Agreement provides that, subject to certain exceptions, it and/or a security document may be amended or waived only with the written consent of:

- (i) if the relevant amendment or waiver (the “Proposed Amendment”) is prohibited by the Senior Facilities Agreement, the Senior Facility Agent (acting on the instructions of the requisite Senior Lenders in accordance with the applicable provisions of the Senior Facilities Agreement);
- (ii) if the Proposed Amendment is prohibited by the terms of the relevant Senior Notes Indenture, the Senior Notes Trustee;

- (iv) if any Permitted Senior Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Financing Agreement, the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (if applicable, acting on the instructions of the Majority Permitted Senior Financing Creditors);
- (v) if the Proposed Amendment is prohibited by the terms of the relevant Senior Parent Notes Indenture, the Senior Parent Notes Trustee;
- (vi) if any Permitted Parent Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Parent Financing Agreement, the Senior Parent Creditor Representative in respect of that Permitted Parent Financing Debt (if applicable, acting on the instructions of the Majority Permitted Parent Financing Creditors);
- (vii) if a hedge counterparty is providing hedging to a Debtor under a hedging agreement, that hedge counterparty (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that hedge counterparty and is an amendment or waiver which is expressed to require the consent of that hedge counterparty under the applicable hedging agreement, as notified by the Parent to the Security Agent at the time of the relevant amendment or waiver);
- (ix) Olympus Midco S.à.r.l. and any other investors as permitted under the Intercreditor Agreement; and
- (x) the Parent.

Notwithstanding the foregoing, any amendment or waiver of any Secured Debt Document that is made or effected in connection with any Debt Refinancing (see “—*Debt Refinancing*”), any incurrence of additional and/or refinancing debt (as referred to in “—*Ranking and Priority—Additional and/or Refinancing Debt*”) or Non-Distressed Disposal (see “—*Proceeds of Disposals—Non-Distressed Disposals*”) is binding on all parties to the Intercreditor Agreement.

The Intercreditor Agreement or a security document may be amended by the Parent and the Security Agent without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise for the benefit of all or any of the Secured Parties. Any amendment, waiver or consent which relates only to the rights or obligations applicable to creditors under a particular Debt Financing Agreement (and which does not materially and adversely affect the rights or interests of creditors under other Debt Financing Agreements) may be approved with only the consent of the agent in respect of that Debt Financing Agreement and the Parent.

Amendments and Waivers: Security Documents

Subject to the paragraph below and to certain exceptions under the Intercreditor Agreement and unless the provisions of any debt document expressly provide otherwise, the Security Agent may, if authorized by an Instructing Group, and if the Parent consents, 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.

Subject to the second and third paragraphs of the section captioned “—*Exceptions*” below, any amendment or waiver of, or consent under, any security document which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed requires approval as set out under the section captioned “—*Required Consents*”.

Exceptions

Subject to the following paragraph of this “—*Exceptions*” section, an amendment, waiver or consent which adversely relates to the express rights or obligations of an agent, an arranger or the Security Agent (in each case in such capacity) may not be effected without the consent of that agent, that arranger or the Security Agent (as the case may be) at such time.

The foregoing shall not apply:

- to any release of security, claim or liabilities; or
- to any consent,

which, in each case, the Security Agent gives in accordance with the provisions set out in the caption “—*Proceeds of Disposals*” above.

The first paragraph of this “—*Exceptions*” section shall apply to an arranger only to the extent that the arranger liabilities are then owed to that arranger.

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

DESCRIPTION OF THE SENIOR SECURED NOTES

The following is a description of the €150,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2019 (the “Euro Floating Rate Notes”) and the CHF 450,000,000 aggregate principal amount of 6.75% Senior Secured Notes due 2019 (the “CHF Fixed Rate Notes” and, together with the Euro Floating Rate Notes, the “Notes”). The Notes will be issued by Matterhorn Mobile S.A., a société anonyme organized under the laws of the Grand Duchy of Luxembourg (the “Issuer”), and unconditionally guaranteed on a senior secured basis by its direct parent, Matterhorn Mobile Holdings S.A. (the “Company”).

In this Description of the Senior Secured Notes, the “Issuer” refers only to Matterhorn Mobile S.A., and any successor obligor to Matterhorn Mobile S.A. on the Notes, and not to any of its subsidiaries or to its parent, the Company. The Company has been organized as a société anonyme organized under the laws of the Grand Duchy of Luxembourg and shall issue Senior Notes due 2020 (the “Senior Notes”) concurrently with the issuance of the Notes.

The proceeds of the offering of the Notes sold on the Issue Date will be used by the Issuer, together with amounts drawn under the Senior Facilities Agreement, the proceeds of the Senior Notes and the Equity Contribution to fund, directly or indirectly, the purchase price for the Acquisition including any adjustments or interest payments under the Acquisition Agreement; to pay fees, costs and expenses incurred in connection with the Transactions; and in the case of the facilities under the Senior Facilities Agreement and the Equity Contribution only, to be on-loaned to the Orange Group for the repayment or discharge of existing indebtedness of the Orange Group together with any other fees, costs and expenses payable in connection therewith, as set forth in this Prospectus under the caption “*Use of Proceeds.*”

Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the initial purchasers will, concurrently with the closing of the offering of the Notes on the Issue Date, deposit (i) the gross proceeds of this offering of the Euro Floating Rate Notes less certain deductions with respect to fees and expenses into a segregated escrow account (the “Euro Floating Rate Senior Secured Notes Escrow Account”) pursuant to the terms of an escrow deed (the “Senior Secured Escrow Agreement”) dated as of the Issue Date among, *inter alios*, the Issuer, Deutsche Trustee Company Limited, as trustee (the “Trustee”) and Deutsche Bank AG, London Branch as Senior Secured Notes Escrow Agent (the “Escrow Agent”) and (ii) the gross proceeds of this offering of the CHF Fixed Rate Notes less certain deductions with respect to fees and expenses into a segregated escrow account (the “CHF Senior Secured Notes Escrow Account” and, together with the Euro Floating Rate Senior Secured Notes Escrow Account, the “Senior Secured Notes Escrow Accounts”) pursuant to the terms of the Senior Secured Escrow Agreement. If the Acquisition is not consummated on or prior to May 10, 2012 (the “Escrow Longstop Date”), the each series of the Notes will be redeemed at a price equal to 100% of the initial issue price of such series of the Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) with respect to such series. See “—*Escrow of Proceeds; Special Mandatory Redemption.*”

Upon the initial issuance of the Notes, the Notes will be obligations of the Issuer and will be guaranteed by the Company (the “Parent Guarantee”). Assuming the Completion Date occurs on or prior to the Escrow Longstop Date and the funds are released from each of the Euro Floating Rate Senior Secured Notes Escrow Account and the CHF Senior Secured Notes Escrow Account, the Subsidiary Guarantors specified below will become a party to the indenture and will guarantee the Notes on a senior basis as soon as reasonably practicable after the Completion Date but in any case no later than 60 days from the Completion Date. Prior to the Completion Date, the Issuer and the Company will not control Orange or any of its Subsidiaries, and none of Orange nor any of its Subsidiaries will be subject to the covenants described in this Description of the Senior Secured Notes. As such, we cannot assure you that prior to the Completion Date, Orange and its Subsidiaries will not engage in activities that would otherwise have been prohibited by the indenture had those covenants been applicable to such entities after the Issue Date and prior to the Completion Date.

The Issuer will issue the Notes under an indenture to be dated as of the Issue Date among, *inter alios*, the Issuer, the Company and Deutsche Trustee Company Limited, as Trustee. The Guarantors that are Restricted Subsidiaries of the Issuer are referred to herein as the “Subsidiary Guarantors,” and each guarantee provided by such a Subsidiary Guarantor, a “Subsidiary Guarantee.” The Notes will be issued in private transactions that are not subject to the registration requirements of the Securities Act. See “*Notice to Investors.*” The terms of the Notes include those stated in the indenture and will not incorporate provisions by reference to the Trust Indenture Act. The Notes are subject to all such terms pursuant to the provisions of the indenture, and Holders of the Notes are referred to the indenture for a statement thereof.

The following is a summary of the material provisions of the indenture, the Senior Secured Notes Escrow Agreement and the Security Documents and does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all provisions of the indenture, the Senior Secured Notes Escrow Agreement and the Security Documents, respectively. Because this is a summary, it may not contain all the information that is important to you. You should read the indenture, the Senior Secured Notes Escrow Agreement and the Security Documents in their entirety. Copies of the indenture and the Intercreditor Agreement are available as described under “Available Information.” You can find the definitions of certain terms used in this description under “—Certain Definitions.”

Brief Description of the Notes and the Guarantees

The Notes

- are senior obligations of the Issuer, secured by the Collateral described below on a first priority basis along with obligations under the Senior Facilities Agreement and any Hedging Agreements;
- are senior in right of payment to any Subordinated Indebtedness of the Issuer, including the senior subordinated guarantee of the Senior Notes given by the Issuer;
- are effectively senior in right of payment to any existing or future unsecured obligations of the Issuer, to the extent of the value of the Collateral that is available to satisfy the obligations under the Notes; and
- are unconditionally guaranteed on a senior secured basis by the Guarantors, subject to the guarantee limitations described herein and in “*Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.*”

The Parent Guarantee

- is the senior obligation of the Company, secured by the Collateral described below on a first priority basis along with obligations under the Senior Facilities Agreement and any Hedging Agreements;
- is senior in right of payment to any Subordinated Indebtedness of the Company;
- is senior in right of payment to any future Subordinated Shareholder Funding of the Company;
- is effectively senior in right of payment to any existing or future unsecured obligations of the Company, to the extent of the value of the Collateral that is available to satisfy the obligations under the Notes; and
- is effectively senior in right of payment to any existing or future obligations of the Company secured on a basis junior to the Notes, including the Senior Notes, to the extent of the value of the Collateral that is available to satisfy the obligations under the Notes.

The Subsidiary Guarantees

- are the senior obligations of the relevant Subsidiary Guarantor, which will be secured by the Collateral described below on a first priority basis along with obligations under the Senior Facilities Agreement and any Hedging Agreements;
- are senior in right of payment to any Subordinated Indebtedness of the relevant Subsidiary Guarantor, including the guarantees of the Senior Notes;
- are effectively senior in right of payment to any existing or future unsecured obligations of the relevant Subsidiary Guarantor, to the extent of the value of the Collateral that is available to satisfy the obligations under the Notes;
- are effectively senior in right of payment to any existing or future obligations of the relevant Subsidiary Guarantor secured on a basis junior to the Notes, to the extent of the value of the Collateral that is available to satisfy the obligations under the Notes; and
- are subject to limitations described herein and in “*Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.*”

Principal and Maturity

The Issuer will issue €150 million in aggregate principal amount of Euro Floating Rate Notes and CHF 450 million in aggregate principal amount of CHF Fixed Rate Notes on the Issue Date. The Notes will mature on May 15, 2019. The Euro Floating Rate Notes will be issued in minimum denominations of €100,000 and in

integral multiples of €1,000 in excess thereof. The CHF Fixed Rate Notes will be issued in minimum denominations of CHF 150,000 and in integral multiples of CHF 1,000 in excess thereof.

The rights of holders of beneficial interests in the Notes to receive the payments on such Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Interest

Interest on the CHF Fixed Rate Notes

Interest on the CHF Fixed Rate Notes will accrue at the rate of 6.75% per annum and will be payable, in cash, semi-annually in arrears on February 15 and August 15 of each year, commencing on August 15, 2012, to holders of record on the immediately preceding February 1 and August 1, respectively. Interest on the CHF Fixed Rate Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Interest on Euro Floating Rate Notes

Interest on the Euro Floating Rate Notes will accrue at a rate per annum (the “Applicable Rate”), reset quarterly, equal to EURIBOR plus 5.25%, as determined by the calculation agent (the “Calculation Agent”), which shall initially be Deutsche Bank AG, London Branch. Interest on the Euro 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 on February 15, May 15, August 15 and November 15, commencing on May 15, 2012; and
- be payable to the holder of record of such Euro Floating Rate Note on February 1, May 1, August 1 and November 1 immediately preceding the related interest payment date.

Set forth below is a summary of certain of the provisions from the Indenture relating to the calculation of interest on the Euro Floating Rate Notes.

“*Determination Date*,” with respect to an 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 Telerate Page 248 as of 11:00 a.m. Brussels time, on the Determination Date. If Telerate 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 inter-bank market for deposits in a Representative Amount in euros 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 adopt the euro.

“*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 shall commence on and include the Issue Date and end on and include May 15, 2012.

“*Representative Amount*” means the greater of (i) €1,000,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

“*TARGET Settlement Day*” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

“*Telerate Page 248*” means the display page so designated on Bridge’s Telerate Service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (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 Euro 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 Euro Floating Rate Notes be higher than the maximum rate permitted by applicable law.

Additional Notes

The Issuer may issue an unlimited principal amount of additional Notes having identical terms and conditions as the Notes (the “Additional Notes,” consisting of the “Additional Euro Floating Rate Notes” and the “Additional CHF Fixed Rate Notes,” as the case may be) so long as such issuance is in compliance with the covenants contained in the indenture, including the covenant restricting the Incurrence of Indebtedness (as described below under “—*Certain Covenants—Limitation on Indebtedness*”). Each of the Euro Floating Rate Notes and the CHF Fixed Rate Notes will constitute a separate series of Notes but will be treated as a single class of securities for all purposes of the indenture, including for purposes of voting and taking all other actions by holders of the Notes, except as otherwise specified in the indenture. The Notes issued in this offering and, if issued, any Additional Notes will be treated as a single class for all purposes under the indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise provided for in the indenture. The Notes issued in this offering and, if issued, any Additional Notes will be treated as a single class for all purposes under the indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise provided for in the indenture. Unless the context otherwise requires, in this “Description of the Senior Secured Notes,” references to the “Notes” include the Notes and any Additional Notes that are actually issued, references to “Euro Floating Rate Notes” include the Euro Floating Rate Notes and any Additional Euro Floating Rate Notes that are actually issued and references to “CHF Fixed Rate Notes” include the CHF Fixed Rate Notes and any Additional CHF Fixed Rate Notes that are actually issued.

Methods of Receiving Payments on the Notes

Principal, premium, if any, interest and Additional Amounts (defined below), if any, on the Global Notes (as defined below) will be payable at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to Notes represented by one or more Global Note registered in the name of or held by a nominee of Euroclear or Clearstream, as applicable, will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, interest and Additional Amounts, if any, on any certificated securities (“Definitive Registered Notes”) will be payable at the specified office or agency of one or more Paying Agents in the City of London and Luxembourg, in each case, maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes. See “—*Paying Agent and Registrar for the Notes*.”

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each a “Paying Agent”) for the Notes in the City of London (the “Principal Paying Agent”) and in Luxembourg for so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require. The Issuer will also undertake, to the extent possible, to use reasonable efforts to maintain 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 Council Directive 2003/48/EC regarding the taxation of savings income (the “Directive”). The initial Paying Agents for the Notes will be Deutsche Bank AG, London Branch in London and Deutsche Bank Luxembourg S.A. in Luxembourg.

The Issuer will also maintain one or more registrars (each, a “Registrar”) with offices in Luxembourg, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and its rule so require. The Issuer will also maintain a transfer agent in Luxembourg. The initial Registrar and transfer agent will be Deutsche Bank Luxembourg S.A. in Luxembourg. The Registrar and the transfer agent in Luxembourg will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuer. Each transfer agent shall perform the functions of a transfer agent.

The Issuer may change any Paying Agent, Registrar or transfer agent for the Notes without prior notice to the Holders of the Notes. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg 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 Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

Transfer and Exchange

The Notes will initially be issued in the form of registered notes in global form without interest coupons, as follows:

- The Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by global notes in registered form without interest coupons attached (the “144A Global Notes”).
- The 144A Global Notes will, upon issuance, be deposited with and registered in the name of the common depositary for the accounts of Euroclear and Clearstream.
- The Notes sold outside the United States pursuant to Regulation S under the 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 144A Global Notes, the “Global Notes”).
- The Regulation S Global Notes will, upon issuance, be deposited with and registered in the name of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes (“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 “Notice to Investors.” In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes 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 Securities Act.

Prior to 40 days after the date of initial issuance of the Notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A 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 to a person who 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 law of any other jurisdiction.

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 or CHF 150,000 aggregate principal amount, as the case may be, and integral multiples of €1,000 in excess thereof or CHF 1,000 in excess thereof, as the case may be, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions 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 to be 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 “*Transfer Restrictions*.”

Subject to the restrictions on transfer referred to above, Euro Floating Rate Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in aggregate principal amount and integral multiples of €1,000 in excess thereof and CHF Fixed Rate Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of CHF 150,000 in aggregate principal amount and integral multiples of CHF 1,000 in excess thereof. 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, to furnish information regarding the account of the transferee at Euroclear or Clearstream, as applicable, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of such Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of such 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 applicable to such Notes; or
- (4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Registrar and the Paying Agents will be entitled to treat the Holder of a Note as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

Immediately after the issuance of the Notes and upon the Completion Date, all of the Company's Subsidiaries will be Restricted Subsidiaries. In the circumstances described below under “—*Certain Definitions—Unrestricted Subsidiary*,” the Company will be permitted to designate Restricted Subsidiaries (other than the Issuer) as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the indenture.

Escrow of Proceeds; Special Mandatory Redemption

Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer will enter into the Senior Secured Escrow Agreement with, *inter alios*, the Trustee and the Escrow Agent, pursuant to which the initial purchasers will deposit with the Escrow Agent an amount equal to (i) the gross proceeds of this offering of the Euro Floating Rate Notes less certain deductions with respect to fees and expenses into the Euro Floating Rate Senior Secured Notes Escrow Account and (ii) the gross proceeds of this offering of the CHF Fixed Rate Notes less certain deductions with respect to fees and expenses into the CHF Senior Secured Notes Escrow Account. The initial funds deposited in the Senior Secured Notes Escrow Accounts, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Senior Secured Notes Escrow Accounts (less any property and/or funds paid in accordance with the Senior Secured Notes Escrow Agreement) are referred to, collectively, as the “Senior Secured Notes Escrowed Property.” The Senior Secured Notes Escrowed Property will be controlled by, and pledged on a first ranking basis in favor of, the Trustee on behalf of the Holders of the Notes.

In order to cause the Escrow Agent to release the Senior Secured Notes Escrowed Property to the Issuer (the “Release”), the Escrow Agent and the Trustee shall have received from the Issuer, on or before the Escrow Longstop Date, an Officer’s Certificate to the effect that:

- (1) (i) the Acquisition will be consummated, promptly upon release of the Senior Secured Notes Escrowed Property and (ii) no material term or condition of the Acquisition Agreement has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of Holders of the Notes, other than any amendment or waiver made with the consent of Holders of a majority of the outstanding Notes (provided that if the Majority Lenders, as defined in, and pursuant to the Senior Facilities Agreement shall have consented to any such amendment or waiver (or the Senior Facilities are drawn without any such consent being required) then the consent of the Holders of a majority of the outstanding Notes shall be deemed to have been granted to such amendment or waiver);
- (2) immediately after consummation of the Acquisition, the Issuer will own, directly or indirectly, the entire share capital of Orange; and
- (3) as of the Completion Date, there are no events of bankruptcy, insolvency or court protection with respect to the Company or the Issuer.

The Release will occur promptly upon the satisfaction of the conditions set forth above (the date of such satisfaction, the “Completion Date”). Upon the Release, the Senior Secured Notes Escrowed Property will be paid out in accordance with the Senior Secured Notes Escrow Agreement and each respective Senior Secured Notes Escrow Account will be reduced to zero.

In the event that (a) the Completion Date does not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the Issuer, the Acquisition will not be consummated on or prior to the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time on or prior to the Escrow Longstop Date or (d) there is there an event of bankruptcy, insolvency or court protection with respect to the Company or the Issuer on or prior to the Escrow Longstop Date (the date of any such event being the “Special Termination Date”), the Issuer will redeem all of the Notes (the “Special Mandatory Redemption”) at a price (the “Special Mandatory Redemption Price”) equal to 100% of the aggregate issue price of the Notes, 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 the Special Termination Date, to the Trustee and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Senior Secured Notes Escrow Agreement (the “Special Mandatory Redemption Date”). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Principal Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder’s Notes and, concurrently with the payment to such Holders, deliver any excess Senior Secured Notes Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Senior Secured Notes Escrowed Property, one or more of the Initial Investors will be required to fund the accrued and unpaid interest, and Additional Amounts, if any, owing to the holders of the Notes, pursuant to a commitment provided by such fund(s).

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Notes a security interest in the Senior Secured Notes Escrow Account.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such special mandatory redemption.

The Profit Participating Loans

On the Completion Date, the Company will lend to the Issuer, pursuant to a profit participating loan, the net proceeds of the issuance of the Senior Notes (the “Company Profit Participating Loan”). On the same date, a portion of the proceeds of drawings under the Senior Facilities Agreement and of the Equity Contribution will be on-loaned from the Issuer to Orange pursuant to a further profit participating loan (the “Issuer Profit Participating Loan”). In addition, following the Completion Date, it is anticipated that Orange will declare (but leave

outstanding) a dividend from its distributable reserves, which will give rise to a further profit participating loan in favor of the Issuer (the “Orange Profit Participating Loan” and, together with the Company Profit Participating Loan and the Issuer Profit Participating Loan, the “Profit Participating Loans”). The Profit Participating Loans will be subordinated in right of payment to the Notes and the Guarantees pursuant to the Intercreditor Agreement.

It is anticipated that funds received by the Issuer from Orange as payments of interest under the Profit Participating Loans will be used to service interest payments under the Notes. Such funds will also be used to service interest payments on the Company Profit Participating Loan owed by the Issuer to the Company, such that the Company in turn will receive funds for the purpose of making interest payments on the Senior Notes.

As the Profit Participating Loans do not bear interest at a rate identical to that of the Notes or the Senior Notes, Orange and the Issuer may in addition upstream further funds as needed by their respective parents, including to make interest payments on the Notes and the Senior Notes, as the case may be, by means of dividends or loans or by the repayment of principal under the profit participating loans.

The indenture for the Notes will not contain any restrictions on the ability of the Company or any of its Restricted Subsidiaries to amend the terms of the Profit Participating Loans.

Guarantees

The obligations of the Issuer pursuant to the Notes, including any payment obligation resulting from a Change of Control, will (subject to the Agreed Security Principles) be guaranteed, jointly and severally on a senior basis, by the Company and each material subsidiary of the Company that is a guarantor under the Senior Facilities Agreement (each a “Guarantor” and such guarantee, a “Guarantee”).

The initial Guarantors, the type of Guarantee and their respective jurisdictions of incorporation will be as follows:

Matterhorn Mobile Holdings S.A.	Parent Guarantee	Luxembourg
Orange Communications SA	Subsidiary Guarantee	Switzerland
Orange Network SA	Subsidiary Guarantee	Switzerland

For the twelve months ended September 30, 2011, after giving effect to the Transactions, the Subsidiary Guarantors account for substantially all of the revenues, EBITDA and total assets of the Company and its Subsidiaries.

As of the Issue Date, the Company will grant the Parent Guarantee and will also grant a senior guarantee of the Senior Facilities Agreement. The Subsidiary Guarantors will deliver the relevant Subsidiary Guarantee as soon as practicable after the closing of the Acquisition but in any case within 60 days of the closing of the Acquisition.

In addition, as described below under “—*Certain Covenants—Additional Guarantees*” and subject to the Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary of the Issuer that guarantees the Senior Facilities Agreement, Public Debt or certain other indebtedness shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Senior Facilities Agreement, the Notes and the Senior Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules, retention of title claims and similar matters.

Each Guarantee will be limited to the maximum amount that would not render the Guarantor’s obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor’s obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See “*Risk Factors—Risks Related to Our Structure—Each Note Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability,*” “*Risk Factors—Risks Related to Our Structure—The Swiss collateral is subject to hardening periods and the Swiss guarantees are subject to fraudulent transfer*” and “*Risk Factors—Risks Related to Our Structure—The insolvency laws of Luxembourg and Switzerland may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.*”

The Guarantee of a Guarantor will terminate and release upon:

- except in the case of the Parent Guarantee, a sale or other disposition (including by way of consolidation or merger) of ownership interests in the Guarantor (directly or through a parent company) such that the Guarantor does not remain a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary), in each case, otherwise permitted by the indenture;
- except in the case of the Parent Guarantee, the designation in accordance with the indenture of the Guarantor as an Unrestricted Subsidiary;
- defeasance or discharge of the Notes, as provided in “—*Defeasance*” and “—*Satisfaction and Discharge*;”
- except in the case of the Parent Guarantee, with respect to a Guarantor that is not a Significant Subsidiary, so long as no Event of Default has occurred and is continuing, to the extent that such Guarantor (i) is unconditionally released and discharged from its liability with respect to the Senior Facilities Agreement and (ii) does not guarantee any other Credit Facility or Public Debt;
- in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- as described under “—*Amendments and Waivers*.”

Substantially all the operations of the Company (and the Issuer) are conducted through its Subsidiaries. Claims of creditors of non-guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred and minority stockholders (if any) of those Subsidiaries generally will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of Subsidiaries of the Company (other than the Guarantors). As of and for the nine months ended September 30, 2011, after giving effect to the Transactions, the total liabilities of the Company and the Issuer’s Subsidiaries that will not guarantee the Notes, were immaterial. Although the indenture limits the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the indenture does not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the indenture. See “—*Certain Covenants—Limitation on Indebtedness*.”

Security

The Collateral

Pursuant to the Security Documents to be entered into on or prior to the Completion Date, each of the Issuer and the Company has granted or will grant in favor of UBS AG, London Branch as security agent (the “Security Agent”), liens and security interests on an equal and ratable first-priority basis, subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over those of its assets listed below:

- (a) shares of capital stock of each of Orange and the Issuer (to be granted by the Issuer and the Company respectively);
 - (b) certain bank accounts;
 - (c) loans made by the Company to the Issuer (including the Company Profit Participating Loan described above under “—*The Profit Participating Loans*”); and
 - (d) the rights of the Issuer under the documents governing the Acquisition,
- (together, the “Initial Collateral”).

In addition, subject to the Intercreditor Agreement and subject to the Agreed Security Principles, each subsidiary of the Company that accedes to the Senior Facilities Agreement as a guarantor after the Issue Date and grants security in connection with such accession (including the initial Subsidiary Guarantors described above) shall also enter into a supplemental indenture as a Guarantor with respect to the Notes and accede to the Intercreditor Agreement, and security will be granted over the ownership interests in such Subsidiary Guarantor

and certain of its material assets including operating bank accounts and intercompany receivables (together with the Initial Collateral, the “Collateral”). All Collateral shall be subject to the operation of the Agreed Security Principles and any Permitted Collateral Liens.

Notwithstanding the foregoing, certain assets will not be pledged (or the Liens not perfected) in accordance with the Agreed Security Principles, including:

- if the cost of providing security is not proportionate to the benefit accruing to the Holders;
- if there is material incremental cost involved in creating security over all assets of a Guarantor in a particular category of assets, only the material assets in that category will be subject to security;
- if providing such security requires consent before such assets may be secured or where providing such security would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of the Company, the Issuer or any of their Subsidiaries in respect of those assets or require any of them to take any action materially adverse to their interests and where (subject to certain conditions being met) such consent cannot be obtained after the use of reasonable endeavors;
- if providing such security would be prohibited by applicable law, general statutory limitations, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules or similar matters or providing security would be outside the applicable pledgor’s capacity or conflict with fiduciary duties of directors or cause material risk of personal or criminal liability after the use of reasonable endeavors to overcome such prohibitions (if possible);
- if in certain jurisdictions it may be either impossible or impractical to create security over certain categories of assets, security will not be taken over such assets;
- if providing such security would have a material adverse effect (as reasonably determined in good faith by such Subsidiary) on the ability of such Subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the indenture and any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to this principle;
- no perfection action will be required in jurisdictions where a Guarantor is not located but perfection action may be required in the jurisdiction of one Guarantor in relation to security granted by another Guarantor located in a different jurisdiction and (where otherwise consistent with the Agreed Security Principles) in any supra-national registries agreed between the Company and the Security Agent from time to time;
- in the case of bank accounts, if providing such security or perfecting liens thereon would require giving notice to the banks with whom the accounts are maintained, such notice will only be provided after the Notes are accelerated; and
- in the case of receivables, notification of receivables security to debtors and of security over goods held by third parties will only be provided after the Notes are accelerated, subject to certain exceptions.

The Collateral will also secure, on an equal and ratable basis, the liabilities under the Senior Facilities Agreement and certain hedging arrangements and any Additional Notes. Subject to certain conditions, including compliance with the covenant described under “—*Certain Covenants—Impairment of Security Interest*,” the Company is permitted to grant security over the Collateral in connection with future issuances of its Indebtedness or Indebtedness of its Restricted Subsidiaries, including any Additional Notes, in each case, as permitted under the indenture.

Subject to the Agreed Security Principles, if material property is acquired by the Company or any Guarantor that is not automatically subject to a perfected security interest under the Security Documents and which will be subject to a security interest in favor of the lenders under the Senior Facilities Agreement, then (to the extent the security interest is not already granted in favor of the Security Agent for the Holders of the Notes) the Company or such Guarantor will within 60 days provide security over this property in favor of the Security Agent pursuant to the covenant entitled “Additional Guarantees.”

Administration of Security and Enforcement of Liens

The Security Documents and the Collateral will be administered by the Security Agent, in each case pursuant to the Intercreditor Agreement for the benefit of all holders of secured obligations. The enforcement of the Security Documents will be subject to the procedures set forth in the Intercreditor Agreement. For a description of the Intercreditor Agreement, see “*Description of Certain Financing Arrangements—Intercreditor Agreement*”.

The ability of holders of the Notes to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Issuer's or a Guarantor's bankruptcy. See *"Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability"* and *"Risk Factors—Risks Related to Our Structure—The insolvency laws of Luxembourg and Switzerland may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes."* In addition, the enforcement of the Collateral will be limited to the maximum amount required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. As a result of these limitations, the enforceable amounts of the Issuer's obligation under the Notes and a Guarantor's obligation under its Guarantee could be significantly less than the total amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See *"Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability."*

Subject to the terms of the Security Documents, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

No appraisals of any of the Collateral have been prepared by or on behalf of the Issuer in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the holders of the Notes, the payment of obligations under the Senior Facilities Agreement and any hedging obligations. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all.

In addition, the Intercreditor Agreement places limitations on the ability of the Security Agent to cause the sale of some of the Collateral. These limitations may include requirements that some or all of the Collateral be disposed of only pursuant to public auctions or only at a price confirmed by a valuation. See *"Description of Certain Financing Arrangements—Intercreditor Agreement."*

The Trustee for the Notes has, and by accepting a Note, each Holder will be deemed to have:

- irrevocably appointed UBS AG, London Branch, as Security Agent to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (ii) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf; and
- accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below) and each Holder will also be deemed to have authorized the Trustee to enter into any such Additional Intercreditor Agreement.

Priority

The relative priority with regard to the Collateral as between (a) the lenders under the Senior Facilities Agreement, (b) the counterparties under certain hedging contracts, (c) the Trustee and the Holders under the indenture and (d) the Trustee and Holders with respect to the Senior Notes, is established by the terms of the Intercreditor Agreement and the Security Documents, which provide that the obligations under the Notes, the Senior Facilities Agreement and such hedging contracts will receive proceeds or enforcement of security over the Collateral equally and ratably on a first priority basis, and the Senior Notes will receive proceeds from enforcement of the relevant Collateral only after the claims of the Notes, the Senior Facilities Agreement and the hedging contracts are satisfied. See *"Description of Certain Financing Arrangements—Intercreditor Agreement."* In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. Under certain circumstances, the creditors under such Indebtedness will receive proceeds from an enforcement of the Collateral in priority to the Trustee and the Holders under the indenture. See *"—Release of Liens,"* *"—Certain Covenants—Impairment of Security Interest"* and *"—Certain Definitions—Permitted Collateral Liens."*

Release of Liens

The Security Agent will take any action required to effectuate any release of Collateral required by a Security Document:

- (1) upon payment in full of principal, interest and all other obligations in respect of the Notes issued under the indenture or discharge or defeasance thereof in accordance with the indenture;
- (2) upon release of a Guarantee (with respect to the Liens securing such Guarantee granted by such Guarantor) in accordance with the indenture;
- (3) in connection with any disposition of Collateral, directly or indirectly, to (a) any Person other than the Company or any of its Restricted Subsidiaries (but excluding any transaction subject to “—*Certain Covenants—Merger and Consolidation—The Company*” or “—*Merger and Consolidation—The Issuer*”) that is permitted by the indenture (with respect to the Lien on such Collateral) or (b) the Company or any Restricted Subsidiary consistent with the Intercreditor Agreement;
- (4) as described under “—*Amendments and Waivers*;”
- (5) automatically without any action by the Trustee, if the Lien granted in favor of the Senior Facilities Agreement, Public Debt or such other Indebtedness that gave rise to the obligation to grant the Lien over such Collateral is released (other than pursuant to the repayment and discharge thereof); *provided* that such release would otherwise be permitted by another clause above; and
- (6) as otherwise provided in the Intercreditor Agreement.

Each of these releases shall be effected by the Security Agent and the Trustee without the consent of the Holders.

The Company, the Issuer and its Restricted Subsidiaries may also, among other things, without any release or consent by the Trustee or the Security Agent, conduct ordinary course activities with respect to Collateral, including, without limitation, (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien under the Security Documents which has become worn out, defective or obsolete or not used or useful in the business; (ii) selling, transferring or otherwise disposing of current assets in the ordinary course of business; and (iii) any other action permitted by the Security Documents or the Intercreditor Agreement.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

In connection with the Incurrence of any Indebtedness by the Company or any of its Restricted Subsidiaries that is permitted to share the Collateral, the Trustee and the Security Agent shall, at the request of the Company, enter into with the Company, the relevant Restricted Subsidiaries and the holders of such Indebtedness (or their duly authorized representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an “Additional Intercreditor Agreement”), on substantially the same terms as the Intercreditor Agreement (or terms that are not materially less favorable to the Holders) and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or adversely affect the personal rights, duties, liabilities, indemnification or immunities of the Trustee or the Security Agent under the indenture or the Intercreditor Agreement. In connection with the foregoing, the Company shall furnish to the Trustee such documentation in relation thereto as it may reasonably require. As used herein, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

In relation to the Intercreditor Agreement, the Trustee shall consent on behalf of the holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the covenant described herein under “—*Certain Covenants—Limitation on Restricted Payments*.”

The indenture will also provide that, at the written direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such Intercreditor Agreement that may be Incurred by the Company or its Restricted Subsidiaries that is subject to any such Intercreditor Agreement (provided that such Indebtedness is Incurred in compliance with the indenture), (3) add Guarantors or other Restricted Subsidiaries to the Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes or to implement any

Permitted Collateral Liens or (6) make any other change to any such agreement that does not adversely affect the Holders of Notes in any material respect. The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under “—Amendments and Waivers” or as permitted by the terms of such Intercreditor Agreement, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the indenture or any Intercreditor Agreement.

The indenture will also provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorized the Trustee and the Security Agent to enter into the Intercreditor Agreement and any Additional Intercreditor Agreement on each Holder’s behalf.

A copy of the Intercreditor Agreement or an Additional Intercreditor Agreement shall be made available to the Holders upon request and will be made available for inspection during normal business hours on any Business Day upon prior written request at the office of the Issuer and, for so long as any Notes are admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange, at the offices of the Paying Agent in Luxembourg.

Optional Redemption

Optional Redemption of the CHF Fixed Rate Notes

Except as set forth herein and under “—Redemption for Taxation Reasons” and “—Escrow of Proceeds; Special Mandatory Redemption,” the CHF Fixed Rate Notes are not redeemable at the option of the Issuer.

At any time prior to February 15, 2015, the Issuer may redeem the CHF Fixed Rate Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days prior notice at a redemption price equal to 100% of the principal amount of such CHF Fixed Rate Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the redemption date.

At any time and from time to time on or after February 15, 2015, the Issuer may redeem the CHF Fixed Rate Notes in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date:

Twelve month period commencing February 15 in	Percentage
2015	105.063%
2016	103.375%
2017	101.688%
2018 and thereafter	100.000%

At any time and from time to time prior to February 15, 2015, the Issuer may redeem the CHF Fixed Rate Notes with the net cash proceeds received by the Issuer from any Equity Offering at a redemption price equal to 106.75% plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the CHF Fixed Rate Notes (including Additional CHF Fixed Rate Notes), *provided that*:

- (1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering; and
- (2) not less than 60% of the original principal amount of the CHF Fixed Rate Notes being redeemed (including the principal amount of any Additional CHF Fixed Rate Notes) remain outstanding immediately thereafter.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof.

At any time on or after the 12-month anniversary of the Issue Date but on or prior to the 36-month anniversary of the Issue Date, the Issuer may, at its option, following completion of a Sunrise Exchange Transaction, redeem all, but not less than all, of the CHF Fixed Rate Notes issued under the indenture upon not less than 30 nor more than 60 days’ notice (which notice of redemption shall be given no later than 10 business days following the completion of such Sunrise Exchange Transaction), at a redemption price (expressed as a percentage of the principal amount thereof) of:

- (1) 101% (if such redemption is on or before the 24-month anniversary of the Issue Date); or
- (2) 102% (if such redemption is after the 24-month anniversary of the Issue Date),

in each case, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional Redemption of the Euro Floating Rate Notes

Except as set forth herein and under “—*Redemption for Taxation Reasons*” and “—*Escrow of Proceeds; Special Mandatory Redemption*,” the Euro Floating Rate Notes are not redeemable at the option of the Issuer.

At any time prior to February 15, 2013, the Issuer may redeem the Euro Floating Rate Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days’ prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Floating Rate Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the redemption date.

At any time and from time to time on or after February 15, 2013, the Issuer may redeem the Euro Floating Rate, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date:

<u>Twelve month period commencing February 15 in</u>	<u>Euro Floating Rate Note Percentage</u>
2013	102.000%
2014	101.000%
2015 and thereafter	100.000%

General

Any redemption and notice of redemption may, at the Issuer’s discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

If the Issuer effects an optional redemption of the Notes, it will, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Sinking Fund

The Issuer will not be required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee or the Registrar, as applicable, will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Trustee or the Registrar, as applicable, by the Issuer, and in compliance with the requirements of Euroclear or Clearstream, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear or Clearstream or Euroclear or Clearstream prescribe no method of selection, on a *pro rata* basis or by use of a pool factor; *provided, however*, that no Note of €100,000 or CHF 150,000, as the case may be, in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 or CHF 1,000, as the case may be, will be redeemed. Neither the Trustee nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, any such notice to the Holders of the relevant Notes shall to the extent and in the manner permitted by such rules be posted on the official website of the Luxembourg Stock Exchange (www.bourse.lu) and in addition to such release, not less

than 10 days nor more than 60 days prior to the redemption date, the Issuer will mail, or at the expense of the Issuer, cause to be mailed, such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may also be posted on the website of the Luxembourg Stock Exchange (*www.bourse.lu*), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof 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. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Redemption for Taxation Reasons

The Issuer or Successor Issuer, as defined below, may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days notice to the Holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a “Tax Redemption Date”) (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (see “—*Withholding Taxes*”), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer, Successor Issuer or Guarantor determine in good faith that, as a result of:

- (1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or
- (2) any change in, or amendment to, or the introduction of, an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a “Change in Tax Law”),

the Issuer, Successor Issuer or Guarantor are, or on the next interest payment date in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer, Successor Issuer or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of this Prospectus, such Change in Tax Law must become effective on or after the date of this Prospectus. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of this Prospectus, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Issuer. Notice of redemption for taxation reasons will be published in accordance with the procedures described under “—*Selection and Notice*.” Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer or Successor Issuer will deliver to the Trustee (a) an Officer’s Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer, Successor Issuer or Guarantor has or have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer’s Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing will apply *mutatis mutandis* to any jurisdiction in which any successor to the Issuer is incorporated or organized or any political subdivision or taxing authority or agency thereof or therein.

Withholding Taxes

All payments made by the Issuer, a Successor Issuer or Guarantor (a “Payor”) on the Notes or the Guarantees, as defined below, will be made free and clear of and without withholding or deduction for, or on account of, any 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) Luxembourg or any political subdivision or Governmental Authority thereof or therein having power to tax;
- (2) any jurisdiction from or through which payment on any such Note or Guarantee is made by the Issuer, Successor Issuer, Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or
- (3) any other jurisdiction in which the Payor is incorporated or organized, resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “Relevant Taxing Jurisdiction”),

will at any time be required from any payments made by a Payor with respect to any Note or Guarantee, including payments of principal, redemption price, premium, if any, or interest, the Payor will pay (together with such payments) such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will equal the amounts which would have been received in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable for or on account of:

- (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment in respect thereof;
- (2) any Taxes that are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Taxes;
- (3) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest, if any, on the Notes;
- (4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;
- (5) any Taxes that are required to be deducted or withheld on a payment to an individual and that are required to be made pursuant to Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directives or pursuant to the Luxembourg law of December 23, 2005 introducing a withholding tax on certain savings income paid to Luxembourg;
- (6) any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another paying agent; or
- (7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is permitted or required for payment) within 15 days after the relevant payment was first made available for payment to the Holder or (y) where, had the beneficial owner of the Note been the Holder, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

In addition, no Additional Amounts shall be paid with respect to any payment to any Holder who is a fiduciary or a partnership or other than the sole beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Issuer and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Luxembourg Paying Agent if the Notes are then admitted for trading on the Euro MTF market.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee will be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in either the indenture, the Guarantees or this "Description of the Senior Secured Notes" there are mentioned, in any context:

- (1) the payment of principal;
- (2) purchase prices in connection with a purchase of Notes;
- (3) interest; or
- (4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary taxes, or any other property or similar taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, the indenture, the Security Documents or any other document or instrument in relation thereto (other than a transfer of the Notes) excluding any such taxes, charges or levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the Holders for any such taxes paid by such Holders. The foregoing obligations of this paragraph will survive any termination, defeasance or discharge of the indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to the Issuer is organized or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Issuer to repurchase all or part (equal to €100,000 or CHF 150,000 aggregate principal amount, as the case may be, and integral multiples of €1,000 in excess thereof or CHF 1,000 in excess thereof), as the case may be, of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obliged to repurchase Notes as described under this "*Change of Control*" section in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "*Optional Redemption*" or all conditions to such redemption have been satisfied or waived.

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, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the “Change of Control Offer”) to each Holder of any such Notes, with a copy to the Trustee:

- (1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase such Holder’s Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the “Change of Control Payment”);
- (2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the “Change of Control Payment Date”);
- (3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;
- (4) describing the procedures determined by the Issuer, consistent with the indenture, that a Holder must follow in order to have its Notes repurchased; and
- (5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

- (1) accept for payment all 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 so tendered;
- (3) deliver or cause to be delivered to the Trustee an Officer’s Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control Offer;
- (4) in the case of Global Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and
- (5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the relevant Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Note equal in aggregate principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in an aggregate principal amount that is at least €100,000 or CHF 150,000, as the case may be, and integral multiples of €1,000 in excess thereof or CHF 1,000 in excess thereof, as the case may be.

If and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices relating to the Change of Control Offer as soon as reasonably practicable after the Change of Control Payment Date in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notices on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

The Change of Control provisions described above 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 does not contain provisions that permit the Holders 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’s 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 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 validly tendered and not withdrawn under such Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations, or require a repurchase of the Notes, under the Change of Control provisions of the indenture by virtue of the conflict.

Under the Senior Facilities Agreement, the occurrence of a change of control would require the repayment of such debt. Future debt of the Company or its Subsidiaries may prohibit the Issuer from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or requires repurchase upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer.

Finally, the Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by 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 Related to Our Structure—We may not have the ability to raise the funds necessary to finance an offer to repurchase the Senior Secured Notes and the Senior Notes upon the occurrence of certain events constituting a change of control as required by each indenture and the change of control provision contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events."*

Holder of the Notes may not be entitled to require the Issuer to purchase their Notes in certain circumstances involving a significant change in the composition of the Company's board of directors, including in connection with a proxy contest, where the Company's board of directors initially publicly opposes the election of a dissident slate of directors, but subsequently approves such directors for the purposes of the indenture governing the Notes. This may result in a change in the composition of the board of directors that, but for such subsequent approval, would have otherwise constituted a Change of Control requiring a repurchase offer under the terms of the indenture governing the Notes.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Company and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is limited case law interpreting the phrase "substantially all", there is no precise established definition of the phrase "substantially all" 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 property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above. In addition, you should note that case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, the Company may nevertheless avoid triggering a change of control under a clause similar to clause (2) of the definition of "Change of Control", if the outgoing directors were to approve the new directors for the purpose of such change of control clause.

The provisions of 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 written consent of Holders of a majority in outstanding aggregate principal amount of the Notes under the indenture.

Certain Covenants

Limitation on Indebtedness

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Company and any of the Restricted Subsidiaries may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Consolidated Leverage Ratio for the Company and its Restricted Subsidiaries is less than 4.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

- (1) Indebtedness Incurred pursuant to any Credit Facility (including letters of credit or bankers' acceptances issued or created under any Credit Facility), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) CHF 700 million, plus (ii) 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 (iii) the aggregate amount of all Net Available Cash from Asset Dispositions since the Issue Date applied by the Company or any Restricted Subsidiary pursuant to the covenant described under “—*Limitation on Sales of Assets and Subsidiary Stock*” to repay any Indebtedness under any Credit Facility incurred pursuant to this clause (1) (and to permanently reduce commitments thereunder);

- (2)
 - (a) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary; or
 - (b) without limiting the covenant described under “—*Limitation on Liens*,” Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the indenture;
- (3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided, however, that*:
 - (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary of the Company; and
 - (b) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary of the Company,

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;
- (4) Indebtedness represented by (a) the Notes (other than any Additional Notes), (b) any Indebtedness (other than Indebtedness described in clauses (1) and (3) of this paragraph) outstanding on the Issue Date, including the loans of the proceeds of and the guarantees of and security granted with respect to the Senior Notes, (c) any Indebtedness of the Orange Group outstanding on the Completion Date and (d) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant and (e) Management Advances;
- (5) Indebtedness of any Person (i) Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or another 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 Restricted Subsidiary or (ii) Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary; *provided, however*, with respect to each of clause (5)(i) and (5)(ii), that at the time of such acquisition or other transaction (x) the Company would have been able to Incur CHF 1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Consolidated Leverage Ratio would not be greater than it was immediately prior to giving effect to such acquisition or other transaction;
- (6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for *bona fide* hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or Senior Management of the Company);
- (7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of (A) CHF 50 million and (B) 2.9% of Total Assets;
- (8) Indebtedness in respect of (a) workers’ compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred

in the ordinary course of business or in respect of any governmental requirement, including in relation to a governmental requirement to provide a guarantee or bond for any spectrum acquisition, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement, including in relation to a governmental requirement to provide a letter of credit, guarantee or similar obligation for any spectrum acquisition; *provided, however*, that upon the drawing of such letters of credit or similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

- (9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs 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 Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that 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;
- (10)
 - (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within five Business Days of Incurrence;
 - (b) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;
 - (c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and
 - (d) Indebtedness incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis;
- (11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the aggregate principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of CHF 60 million and 3.5% of Total Assets;
- (12) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" in reliance thereon;

- (13) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing;
- (14) Indebtedness under daylight borrowing facilities incurred in connection with the Transactions or any refinancing of Indebtedness (including by way of set-off or exchange) so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness is Incurred; and
- (15) Indebtedness consisting of local lines of credit or working capital facilities not exceeding CHF 25 million outstanding at one time.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;
- (2) all Indebtedness outstanding on the Completion Date under the Senior Facilities Agreement shall be deemed initially Incurred on the Completion Date under clause (1) of the second paragraph of the description of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of the description of this covenant, and any Indebtedness Incurred under clause (1) of the second paragraph of the description of this covenant may not be reclassified pursuant to clause (1) of this paragraph;
- (3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11) or (12) of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;
- (5) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and
- (7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, including a change of IFRS to U.S. GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this “*Limitation on Indebtedness*.” The amount of any Indebtedness outstanding as of any date shall be calculated as specified under the definition of “Indebtedness.”

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date.

For purposes of determining compliance with any CHF-denominated restriction on the Incurrence of Indebtedness, the CHF Equivalent of the aggregate principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than CHF, and such refinancing would cause the applicable CHF-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such CHF-denominated restriction shall be deemed not to have been

exceeded so long as the aggregate principal amount of such Refinancing Indebtedness does not exceed the aggregate principal amount of such Indebtedness being refinanced; (b) the CHF Equivalent of the aggregate 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; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in CHF, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the CHF Equivalent of such amount plus the CHF Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:
 - (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding;
 - (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value); and
 - (c) dividends or distributions payable to any Parent in respect of Indebtedness of such Parent which is guaranteed by the Company or any Restricted Subsidiary;
- (2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary of the Company (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));
- (3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "—Limitation on Indebtedness"); or
- (4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding; or
- (5) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a "Restricted Payment"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

- (a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);
- (b) the Company is not able to Incur an additional CHF 1.00 of Indebtedness pursuant to the first paragraph under the "—*Limitation on Indebtedness*" covenant after giving effect, on a pro forma basis, to such Restricted Payment; or

- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (6), (10), (11), (12) and (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):
- (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);
 - (ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph and (z) Excluded Contributions);
 - (iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange);
 - (iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:
 - (A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or
 - (B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c); *provided, however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv); and
 - (v) the amount of the cash and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:
 - (A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company; and

- (B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate to the Company or a Restricted Subsidiary;

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (v); *provided further, however*, that such amount shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c). Upon a Specified Change of Control Event, all amounts calculated pursuant to this clause (c) shall be reset to zero and all references to Issue Date in this clause (c) shall thereafter refer to the date of such Specified Change of Control Event.

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by the Board of Directors of the Company.

The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

- (1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;
- (2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;
- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above, and that in each case, constitutes Refinancing Indebtedness;
- (4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:
 - (a) (i) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*" below, but only if the Company shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;
 - (b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Company shall have first complied with the terms described under "*—Change of Control*" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or
 - (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such

acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

- (5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;
- (6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (1) CHF 7.5 million plus (2) CHF 2.5 million multiplied by the number of calendar years that have commenced since the Issue Date plus (3) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant;
- (7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under “—*Limitation on Indebtedness*” above;
- (8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;
- (9) dividends, loans, advances or distributions to any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):
 - (a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or
 - (b) amounts constituting or to be used for purposes of making payments (i) of fees and expenses Incurred in connection with the Transactions or disclosed in the Prospectus or (ii) to the extent specified in clauses (2), (3), (5), (7), (11) and (12) of the second paragraph under “—*Limitation on Affiliate Transactions*”;
- (10) so long as no Default or Event of Default has occurred and is continuing (or would result from), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or loaned as Subordinated Shareholder Funding to the Company and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 2.75 to 1.00 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.125 to 1.00;
- (11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed CHF 60 million or, if greater, 3.5% of Total Assets;
- (12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided, however*, that any such payment, loan, advance, dividend or

distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors of the Company);

- (13) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this clause (13);
- (14)(i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Issue Date; *provided, however*, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate, the issuance of Designated Preference Shares) of the Company or loaned as Subordinated Shareholder Funding to the Company, from the issuance or sale of such Designated Preference Shares;
- (15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries;
- (16) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing; and
- (17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any dividend, distribution, loan or other payment to any Parent; *provided* that the Consolidated Leverage Ratio on a pro forma basis after giving effect to any such dividend, distribution, loan or other payment does not exceed 2.0 to 1.0.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Company acting in good faith.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens) upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Company), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the “Initial Lien”), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the indenture (or a Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under “—*Security—Release of Liens.*”

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer;
- (B) make any loans or advances to the Issuer; or
- (C) sell, lease or transfer any of its property or assets to the Issuer,

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 requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

- (1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Senior Finance Documents) or (b) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date, including the indenture governing the Senior Notes;
- (2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;
- (3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company);
- (4) any encumbrance or restriction:
 - (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;
 - (b) contained in mortgages, pledges, charges or other security agreements permitted under the indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or
 - (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;
- (5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;
- (6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;
- (7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;
- (8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;
- (9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

- (10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;
- (11) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—Limitation on Indebtedness” if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Senior Facilities Agreement and the Intercreditor Agreement, together with the security documents associated therewith as in effect on the Completion Date or (ii) in comparable financings (as determined in good faith by the Company) or where the Company determines when such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Company’s ability to make principal or interest payments on the Notes;
- (12) any encumbrance or restriction existing by reason of any lien permitted under “—*Limitation on Liens*”; or
- (13) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors of the Company, are necessary or advisable to effect such Qualified Receivables Financing.

Limitation on Sales of Assets and Subsidiary Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

- (1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);
- (2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and
- (3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company or such Restricted Subsidiary, as the case may be:
 - (a) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Indebtedness of a non-Guarantor Restricted Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) or Indebtedness under the Senior Facilities Agreement (or any Refinancing Indebtedness in respect thereof) within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided, however,* that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of any revolving Indebtedness) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that the Company shall redeem, repay or repurchase Pari Passu Indebtedness that is Public Debt pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this covenant) an offer to the Holders of the Notes to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or

- (b) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided, however*, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day,

provided that, pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in the preceding paragraph will be deemed to constitute “Excess Proceeds” under the indenture. On the 366th day after an Asset Disposition, or at such earlier date that the Company elects, if the aggregate amount of Excess Proceeds under the indenture exceeds CHF 25 million, the Company will be required to make an offer (“Asset Disposition Offer”) to all Holders of Notes issued under the indenture and, to the extent the Company elects, to all holders of other outstanding *Pari Passu* Indebtedness, to purchase the maximum aggregate principal amount of Notes and any such *Pari Passu* Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any *Pari Passu* Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of such *Pari Passu* Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the indenture or the agreements governing such *Pari Passu* Indebtedness, as applicable, and in case of the Euro Floating Rate Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof or, in the case of the CHF Fixed Rate Notes, in minimum denominations of CHF 150,000 and in integral multiples of CHF 1,000 in excess thereof.

To the extent that the aggregate amount of Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other *Pari Passu* Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and *Pari Passu* Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and *Pari Passu* Indebtedness. For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in CHF, including the Euro Floating Rate Notes, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their CHF Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

Any Net Available Cash payable in respect of the Notes pursuant to this covenant will be allocated between the Euro Floating Rate Notes and the CHF Fixed Rate Notes in proportion to the respective aggregate principal amounts of Euro Floating Rate Notes and CHF Fixed Rate Notes validly tendered and not withdrawn, based upon the CHF Equivalent of such aggregate principal amount of Euro Floating Rate Notes determined as of a date selected by the Company that is within the Asset Disposition Offer Period.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Company upon converting such portion into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the “Asset Disposition Offer Period”). No later than five Business Days after the termination of the Asset Disposition Offer Period (the “Asset Disposition Purchase Date”), the Company will purchase the aggregate principal amount of Notes and, to the extent they elect, *Pari Passu* Indebtedness required to be purchased pursuant to this covenant (the “Asset Disposition Offer Amount”) or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and *Pari Passu* Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and *Pari Passu*

Indebtedness or portions of Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and, in the case of Euro Floating Rate Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof or, in the case of the CHF Fixed Rate Notes, in minimum denominations of CHF 150,000 and in integral multiples of CHF 1,000 in excess thereof. The Company will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this covenant. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Company for purchase, and the Company will promptly issue a new Note (or amend the Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in an aggregate principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in an aggregate principal amount with a minimum denomination of €100,000 in the case of Euro Floating Rate Notes and CHF 150,000 in the case of CHF Fixed Rate Notes. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;
- (2) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;
- (3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;
- (4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and
- (5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of CHF 25 million and 1.45% of Total Assets (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).

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to the indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the indenture by virtue of any conflict.

Limitation on Affiliate Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "Affiliate Transaction") involving aggregate value in excess of CHF 10 million unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

- (2) in the event such Affiliate Transaction involves an aggregate value in excess of CHF 25 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Company.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (2) of this paragraph if such Affiliate Transaction is approved by a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this covenant if the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Company or its 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 on an arm's length basis.

The provisions of the preceding paragraph will not apply to:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under “—Limitation on Restricted Payments,” any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the fourth paragraph of the covenant described under “—*Limitation on Restricted Payments*”) or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2) and (11) of the definition thereof);
- (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;
- (3) any Management Advances and any waiver or transaction with respect thereto;
- (4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;
- (5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);
- (6) the Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;
- (7) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;
- (8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the Senior Management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

- (10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors of the Company in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the indenture;
- (11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual customary management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed CHF 4 million per year and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (b) are approved by a majority of the Board of Directors of the Company in good faith;
- (12) payment 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; and
- (13) any transaction effected as part of a Qualified Receivables Financing.

Reports

For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

- (1) within 120 days after the end of the Company's fiscal year beginning with the first fiscal year ending after the Issue Date, annual reports containing, to the extent applicable, the following information:
 - (a) audited consolidated balance sheets of the Company or its predecessor as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company or its predecessor for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements;
 - (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies, with a similar scope to that included in this prospectus; (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;
- (2) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending March 31, 2012, all quarterly reports of the Company 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 most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

- (3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement and pro forma financial information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, (x) in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods and (y) to the extent comparable prior period financial information of the Company does not exist, the comparable prior period financial information of Orange Group may be provided in lieu thereof. Except as provided for above, no report need include separate financial statements for any Subsidiaries of the Company. The filing of an Annual Report on Form 20-F within the time period specified in (1) will satisfy such provision.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by clauses (1) and (2) of the first paragraph of this covenant shall include either (i) 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 or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: revenues, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports specified in clauses (1), (2) and (3) of the first paragraph of this covenant, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable availability of such reports (as determined by the Company in good faith) or (b) to the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon request, prospective purchasers of the Notes. The Company will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, at the offices of the Paying Agent in Luxembourg or, to the extent and in the manner permitted by such rules, post such reports on the official website of the Luxembourg Stock Exchange.

In addition, so long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Merger and Consolidation

The Issuer

The Issuer will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

- (1) the resulting, surviving or transferee Person (the "Successor Issuer") will be a Person organized and existing under the laws of any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Issuer (if not the Issuer) will expressly assume (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the indenture and (b) all obligations of the Issuer under the Security Documents (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement);
- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Issuer or any Subsidiary of the Successor Issuer as a result of such transaction as having been Incurred by the Successor Issuer or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing; and

- (3) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Issuer (in each case, in form and substance reasonably satisfactory to the Trustee), 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 (1) and (2) above.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under such indenture or the Notes.

Notwithstanding the preceding clauses (2) and (3) and the provisions described below under “—*The Company*” and “—*Subsidiary Guarantors*” (which do not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Issuer, (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary and (c) the Company and its Restricted Subsidiaries may undertake the Transactions. Notwithstanding the preceding clauses (2) and (3) (which does not apply to the transactions referred to in this sentence), the Issuer may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Issuer, reincorporating the Issuer in another jurisdiction, or changing the legal form of the Issuer.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) will not apply to the creation of a new subsidiary of the Issuer that becomes a parent of one or more of the Issuer's Subsidiaries.

The Issuer shall remain a Wholly-Owned Subsidiary of the Company.

The Company

The Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

- (1) the resulting, surviving or transferee Person (the “Successor Company”) will be a Person organized and existing under the laws of any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company) will expressly assume (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Parent Guarantee and (b) all obligations of the Company under the Security Documents (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement);
- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;
- (3) immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional CHF 1.00 of Indebtedness pursuant to the first paragraph of the covenant described under “—*Limitation on Indebtedness*” or (b) the Consolidated Leverage Ratio would not be greater than it was immediately prior to giving effect to such transaction; and
- (4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any)

comply with the indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee), 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 (2) and (3) above.

Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under “—*Limitation on Indebtedness.*”

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under such indenture or the Notes.

Notwithstanding the preceding clauses (2) and (3) and the provisions described above under “—*The Issuer*” and below under “—*Subsidiary Guarantors*” (which do not apply to transactions referred to in this sentence) and, other than with respect to the second preceding paragraph, clause (4) of the first paragraph of this covenant, (a) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company, (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary and (c) the Company and its Restricted Subsidiaries may undertake the Transactions. Notwithstanding the preceding clauses (2), (3) and (4) (which does not apply to the transactions referred to in this sentence), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) will not apply to the creation of a new subsidiary as a Restricted Subsidiary of the Company.

Subsidiary Guarantors

No Subsidiary Guarantor may:

- (1) consolidate with or merge with or into any Person;
 - (2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or
 - (3) permit any Person to merge with or into such Guarantor,
- unless
- (A) the other Person is the Company or any Restricted Subsidiary that is Guarantor or becomes a Guarantor concurrently with the transaction); or
 - (B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Guarantee and the Security Documents (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement); and
 - (2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

- (C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by the indenture.

Notwithstanding the preceding clause B(2) and the provisions described above under “—*The Issuer*” and “—*The Company*”, (which does not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Subsidiary Guarantor, (b) any Subsidiary Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Subsidiary Guarantor and (c) the Subsidiary Guarantors may undertake the Transactions. Notwithstanding the preceding clause B(2) (which does not apply to the transactions referred to in this sentence), a Subsidiary Guarantor may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Subsidiary Guarantor reincorporating the Subsidiary Guarantor in another jurisdiction, or changing the legal form of the Subsidiary Guarantor.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a “Suspension Event”), then, beginning on that day and continuing until the Reversion Date, the provisions of the indenture summarized under the following captions will not apply to such Notes: “—*Limitation on Restricted Payments*,” “—*Limitation on Indebtedness*,” “—*Limitation on Restrictions on Distributions from Restricted Subsidiaries*,” “—*Limitation on Affiliate Transactions*,” “—*Limitation on Sales of Assets and Subsidiary Stock*,” “—*Additional Guarantees*,” “—*Lines of Business*,” and the provisions of clause (3) of the first paragraph of the covenant described under “—*Merger and Consolidation—The Company*”, and, in each case, any related default provision of such indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the “—*Limitation on Restricted Payments*” covenant will be interpreted as if it has been in effect since the date of such indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company’s option, as having been Incurred pursuant to the first paragraph of the covenant described under “—*Limitation on Indebtedness*” or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under the first two paragraphs of the covenant described under “—*Limitation on Indebtedness*,” such Indebtedness will be deemed to have been outstanding on the Completion Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*.”

Additional Guarantees

The Company will not cause or permit any of its Restricted Subsidiaries that are not Guarantors, directly or indirectly, to Guarantee any Indebtedness under the Senior Facilities Agreement (or other Indebtedness that is Incurred under clause (1) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”) or Public Debt and any refinancing thereof in whole or in part unless such Restricted Subsidiary becomes a Guarantor on the date on which such other Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the indenture pursuant to which such Restricted Subsidiary will provide a Guarantee, which Guarantee will be senior to or *pari passu* with such Restricted Subsidiary’s Guarantee of such other Indebtedness.

A Restricted Subsidiary that is not a Guarantor may become a Guarantor if it executes and delivers to the Trustee a supplemental indenture in the form attached to the indenture pursuant to which such Restricted Subsidiary will provide a Guarantee.

Concurrently with the provision of any additional Guarantees as described above, subject to the Intercreditor Agreement and any Additional Intercreditor Agreement (if such security is being granted in respect of the other Indebtedness), and subject to the Agreed Security Principles, any such Guarantor will provide security over certain of its material assets (excluding any assets of such Guarantor which are subject to a Permitted Lien at the time of the execution of such supplemental indenture if providing such security interest would not be permitted by the terms of such Permitted Lien or by the terms of any obligations secured by such Permitted Lien) to secure its Guarantee on a first priority basis consistent with the Collateral.

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, thin capitalization, distributable reserves, 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 Notes to the extent and for so long as the Incurrence of such Guarantee could reasonably be expected to give rise to or result in: (1) any violation of applicable law or regulation; (2) any liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (1) of this paragraph undertaken in connection with, such Guarantee, which in any case under any of clauses (1), (2) and (3) of this paragraph cannot be avoided through measures reasonably available to the Company or a Restricted Subsidiary; or (4) an inconsistency with the Intercreditor Agreement.

Impairment of Security Interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence 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 Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, any Lien over any of the Collateral that is prohibited by the covenant entitled "Limitation on Liens;" provided, that the Company and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with the indenture, the Intercreditor Agreement or the applicable Security Documents.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Security Interest in accordance with the indenture and the Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Holders in any material respect; *provided, however*, that, except where permitted by the indenture or the Intercreditor Agreement, no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified 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 or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Company delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an independent financial advisor or appraiser or investment bank of international standing which confirms the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting Security Interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, or (3) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Security Agent and the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same

assets), the Lien or Liens created under the Security Document, so amended, extended, renewed, restated, supplemented, modified or released and replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject.

In the event that the Company and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Lines of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Similar Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries, taken as a whole.

Events of Default

Each of the following is an Event of Default under the indenture:

- (1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;
- (2) default in the payment of the principal amount of or premium, if any, on any Note issued under the indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with any of the Company's obligations under the covenants described under "*—Change of Control*" above or under the covenants described under "*—Certain Covenants*" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above);
- (4) failure by the Company or any of its Restricted Subsidiaries to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with its other agreements contained in the indenture;
- (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 Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) other than Indebtedness owed to the Company or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:
 - (a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("payment default"); or
 - (b) results in the acceleration of such Indebtedness prior to its maturity (the "cross acceleration provision");

and, in each case, the aggregate principal amount of any such Indebtedness, together with the aggregate 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 CHF 20 million or more;

- (6) certain events of bankruptcy, insolvency or court protection of the Company, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "bankruptcy provisions");
- (7) failure by the Company, the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of CHF 20 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "judgment default provision");
- (8) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security

Document, the Intercreditor Agreement and the indenture) for any reason other than the satisfaction in full of all obligations under the indenture or the release or amendment of any such security interest in accordance with the terms of the indenture, the Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or the Company or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days (the “security default provisions”); and

- (9) any Guarantee of the Company or a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee or the indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Guarantee and any such Default continues for 10 days (the “guarantee provisions”).

However, a default under clauses (3), (4), (5) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of 30% in aggregate principal amount of the outstanding Notes notify the Company of the default and, with respect to clauses (3), (4), (5) and (7), the Company does not cure such default within the time specified in clauses (3), (4), (5) or (7), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 30% in aggregate principal amount of the outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) under “Events of Default” has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in aggregate principal amount of the outstanding Notes under the indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium or interest, or Additional Amounts, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the indenture relating to the duties of the Trustee, if 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 of the Holders unless such Holders have offered to the Trustee indemnity or security reasonably satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the indenture or the Notes unless:

- (1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;
- (3) such Holders have offered in writing the Trustee reasonable security and/or indemnity against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity; and
- (5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The indenture will provide that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the indenture, the Trustee will be entitled to indemnification reasonably satisfactory to it against all losses and expenses caused by taking or not taking such action.

The indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Company, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Company. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof.

The Notes provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Holders of the Notes may not enforce the indenture or the Notes except as provided in the indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

Amendments and Waivers

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes); *provided* that, if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of a majority in principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not less than 90% (or, in the case of clause (8), 75%) of the then outstanding aggregate principal amount of Notes affected, an amendment or waiver may not, with respect to any such series of the Notes held by a non-consenting Holder:

- (1) reduce the principal amount of such Notes whose Holders must consent to an amendment;
- (2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;
- (3) reduce the principal of or extend the Stated Maturity of any such Note;
- (4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under “—*Optional Redemption*”;
- (5) make any such Note payable in money other than that stated in such Note;
- (6) impair the right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;
- (7) make any change in the provision of the indenture described under “—*Withholding Taxes*” that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

- (8) release (i) the security interest granted for the benefit of the Holders in the Collateral or (ii) any Guarantee, in each case, other than pursuant to the terms of the Security Document or the indenture, as applicable, except as permitted by the Intercreditor Agreement;
- (9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or
- (10) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Company, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents to:

- (1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision to this "Description of the Senior Secured Notes," or reduce the minimum denomination of the Notes;
- (2) provide for the assumption by a successor Person of the obligations of the Company, the Issuer or any Guarantor under any Note Document;
- (3) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);
- (4) add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Company or any Restricted Subsidiary;
- (5) make any change that does not adversely affect the rights of any Holder in any material respect;
- (6) at the Company's election, comply with any requirement of the SEC in connection with the qualification of the indenture under the Trust Indenture Act, if such qualification is required;
- (7) make such provisions as necessary (as determined in good faith by the Company) for the issuance of Additional Notes;
- (8) to provide for any Restricted Subsidiary to provide a Guarantee in accordance with the Covenant described under "*Certain Covenants—Limitation on Indebtedness*" and "*Certain Covenants—Additional Guarantors*," to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the indenture, the Intercreditor Agreement or the Security Documents;
- (9) to evidence and provide for the acceptance and appointment under the indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or
- (10) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of parties to the Senior Facilities Agreement, in any property which is required by the Senior Facilities Agreement (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the indenture and the covenant described under "*Certain Covenants—Impairment of Security Interest*" is complied with.

In formulating its decisions on such matters, the Trustee shall be entitled to rely on such evidence as it deems appropriate including Officer's Certificates and Opinions of Counsel.

For the purpose of calculating the aggregate principal amount of the Notes that have consented to or voted in favor of any amendment, supplement or waiver, the CHF Equivalent of the aggregate principal amount of any Euro Floating Rate Notes shall be as of the Issue Date.

The consent of the Holders is not necessary under the indenture to approve the particular form of any proposed amendment of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Acts by Holders

In determining whether the Holders of the required aggregate principal amount of the Notes have concurred in any direction, waiver or consent, any Notes owned by the Company or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Company will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all its and each Guarantor's obligations under the Notes and the indenture ("legal defeasance") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registrations 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. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantor's obligations under the covenants described under "*Certain Covenants*" (other than with respect to clauses (1) and (2) of each of the covenants described under "*Certain Covenants—Merger and Consolidation—The Issuer*," "*Certain Covenants—Merger and Consolidation—The Company*" and "*Certain Covenants—Merger and Consolidation—Subsidiary Guarantors*") and "*Change of Control*" and the default provisions relating to such covenants described under "*Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Company, the Issuer and its Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "*Events of Default*" above ("covenant defeasance").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of each of the covenants described under "*Certain Covenants—Merger and Consolidation—The Issuer*," "*Certain Covenants—Merger and Consolidation—The Company*" and "*Certain Covenants—Merger and Consolidation—Subsidiary Guarantors*"), (4), (5), (6) (with respect only to the Company, the Issuer and Significant Subsidiaries), (7), (8) or (9) under "*Events of Default*" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or such entity designated by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof (in the case of the Euro Floating Rate Notes) or in CHF or CHF-denominated Swiss Government Obligations (in the case of the CHF Fixed Rate Notes) or a combination thereof for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

- (1) an Opinion of Counsel in the United States to the effect that Holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law since the issuance of the Notes);
- (2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;
- (3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;
- (4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and
- (5) the Issuer delivers to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The indenture, and the rights of the Trustee and the Holders under the Security Document will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Company) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or such entity designated by the Trustee for this purpose), euros or euro-denominated European Government Obligations or a combination thereof (in the case of the Euro Floating Rate Notes) or in CHF or CHF-denominated Swiss Government Obligations or a combination thereof (in the case of the CHF Fixed Rate Notes), as applicable in an amount sufficient to pay and discharge the entire indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the indenture; (4) the Issuer has delivered irrevocable instructions under the indenture to apply the deposited money towards payment of the Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" section of the indenture relating to the satisfaction and discharge of the indenture have been complied with, 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)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Company or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Company under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and Certain Agents

Deutsche Trustee Company Limited is to be appointed as Trustee under the indenture. The indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in such indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the indenture will not be construed as an obligation or duty.

The indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Company and its Affiliates and Subsidiaries.

The indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Company and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, (b) fails to meet certain minimum limits regarding the aggregate of its capital and surplus or (c) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Company may remove the Trustee, or any Holder who has been a *bona fide* Holder for not less than 6 months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the indenture.

Notices

All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, notices with respect to the Notes will be published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (www.bourse.lu). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear and Clearstream, each of which will give such notices to the holders of Book-Entry Interests. Such notices may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes will be prescribed five years after the applicable due date for payment thereof. Claims against the Issuer for the payment of interest on the Notes will be prescribed three years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of CHF-Denominated Restrictions

In the case of the Euro Floating Rate Notes, the euro, and in the case of the CHF Fixed Rate Notes, CHF, is respectively the sole currency of account and payment for all sums payable by the Company and the Guarantors under or in connection with the Euro Floating Rate Notes, the CHF Fixed Rate Notes and the relevant Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than euro (in the case of the Euro Floating Rate Notes) or CHF (in the case of the CHF Fixed Rate Notes), whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount or the CHF amount, as the case may be, which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Euro Floating Rate Note, or if that CHF amount is less than the CHF amount expressed to be due to the recipient or the Trustee under any CHF Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, any Guarantee or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any CHF-denominated restriction herein, the CHF Equivalent amount for purposes hereof that is denominated in a non-CHF currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-CHF amount is Incurred or made, as the case may be.

Enforceability of Judgments

Since substantially all the assets of the Company are held by Subsidiaries located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes or the Guarantees, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the indenture and the Notes and the Guarantees, the Issuer and each Guarantor will in the indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The indenture and the Notes, including any Guarantees, and the rights and duties of the parties thereunder will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

“*Acquired Indebtedness*” means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Company or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

“*Acquisition*” means the acquisition of Orange by the Company pursuant to the Acquisition Agreement.

“*Acquisition Agreement*” means the sale and purchase agreement, dated as of December 23, 2011, by and among the Issuer, Atlas Services Belgium and France Telecom SA, as it may be amended from time to time.

“*Agreed Security Principles*” means the Agreed Security Principles as set out in an annex to the Senior Facilities Agreement as in effect on the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Company.

“*Additional Assets*” means:

- (1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);
- (2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary of the Company; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Company.

“*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 the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*Applicable Premium*” means, with respect to any Note, the greater of:

- (A) 1% of the principal amount of such Note; and
- (B) on any redemption date, the excess (to the extent positive) of:
 - (a) the present value at such redemption date of (i) the redemption price of such Note at February 15, 2015 (such redemption price (expressed in percentage of principal amount) being set forth in the

table under “—*Optional Redemption*” (excluding accrued but unpaid interest)), plus (ii) all required interest payments due on such Note to and including such date set forth in clause (i) (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Swiss Government Bond Rate at such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such Note,

as calculated by the Company or on behalf of the Company by such Person as the Company shall designate.

“*Asset Disposition*” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares), property or other assets (each referred to for the purposes of this definition as a “disposition”) by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (3) a disposition of inventory or other assets in the ordinary course of business;
- (4) a disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;
- (5) transactions permitted under “—*Certain Covenants—Merger and Consolidation—The Company*” or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company;
- (7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than CHF 40 million or, if greater, 2.3% of Total Assets;
- (8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under “—*Certain Covenants—Limitation on Restricted Payments*” and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;
- (9) dispositions in connection with Permitted Liens;
- (10) dispositions 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 licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;
- (12) foreclosure, condemnation or any similar action with respect to any property or other assets;
- (13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;
- (14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;
- (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;

- (16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors of the Company shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole); *provided, further*, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17), does not exceed CHF 50 million or, if greater, 2.9% of Total Assets;
- (18) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the indenture; and
- (19) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or in the ordinary course of business;

“Associate” means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Company or any Restricted Subsidiary of the Company.

“Atlas Subordinated Shareholder Funding” means the shareholder loans between Orange Network SA as borrower and Atlas Services Belgium, as lender, in an aggregate principal amount of CHF 917.0 million, comprising a loan of CHF 480.0 million, which is scheduled to mature in December 2017, and a loan of CHF 437.0 million, which is scheduled to mature in October 2018.

“Board of Directors” means (1) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. For the purposes of the definition of Change of Control only, Board of Directors of the Company shall mean the Company’s supervisory board or its managing board. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

“Bund Rate” means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (Bunds or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Company in good faith)) most nearly equal to the period from the redemption date to February 15, 2013; *provided, however*, that if the period from the redemption date to February 15, 2013 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to February 15, 2013 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

“Business Day” means each day that is not a Saturday, Sunday or other day on which banking institutions in Zurich, Switzerland, Luxembourg, London, United Kingdom, or New York, New York, United States are authorized or required by law to close; *provided, however*, that for any payments to be made under the indenture, such day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (“TARGET”) payment system is open for the settlement of payments.

“Capital Stock” of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalized Lease Obligations” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be

made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“*Cash Equivalents*” means:

- (1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a Permissible Jurisdiction, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;
- (2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by any Lender or by any bank or trust company (a) whose commercial paper is rated at least “A-1” or the equivalent thereof by S&P or at least “P-1” or the equivalent thereof by Moody’s (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500 million;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;
- (4) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by S&P or “P-2” or the equivalent thereof by Moody’s or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;
- (5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any Permissible Jurisdiction, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody’s or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;
- (6) Indebtedness or preferred stock issued by Persons with a rating of “BBB-” or higher from S&P or “Baa3” or higher from Moody’s (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;
- (7) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and
- (9) for purposes of clause (2) of the definition of “Asset Disposition,” the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date.

“*Change of Control*” means:

- (1) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, provided that for the purposes of this clause, (x) no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the “beneficial owner” (as so defined) shall not be included in any Voting Stock of which any such person or group is the “beneficial owner” (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock;

- (2) following the Initial Public Offering of the Company or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of the Company or any Parent or whose nomination for election by shareholders of the Company or any Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Company or any Parent 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 directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent, then in office; or
- (3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders;

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

“*CHF Equivalent*” means, with respect to any monetary amount in a currency other than CHF, at any time of determination thereof by the Company or the Trustee, the amount of CHF obtained by converting such currency other than CHF involved in such computation into CHF at the spot rate for the purchase of CHF with the applicable currency other than CHF as published in The Financial Times in the “Currency Rates” section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Company) on the date of such determination.

“*Clearstream*” means Clearstream Banking, a société anonyme as currently in effect or any successor securities clearing agency.

“*Code*” means the United States Internal Revenue Code of 1986, as amended.

“*Commodity Hedging Agreements*” means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

“*Consolidated EBITDA*” for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense and Receivables Fees;
- (2) Consolidated Income Taxes;
- (3) consolidated depreciation expense;
- (4) consolidated amortization or impairment expense;
- (5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including one-time 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 in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the indenture (in each case whether or not successful) in each case, as determined in good faith by an Officer of the Company;
- (6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;
- (7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under “—*Certain Covenants—Limitation of Affiliate Transactions*” and any brand or management fees or charges paid or to be paid to France Telecom and/or its Affiliates; and
- (8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as extraordinary, exceptional, unusual or nonrecurring items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

Notwithstanding the foregoing, the provision for taxes and the depreciation, amortization, non-cash items, charges and write-downs of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Net Income for the purposes of this definition.

“*Consolidated Income Taxes*” means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes) and franchise taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

“*Consolidated Interest Expense*” means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries, whether paid or accrued, including any pension liability interest cost, plus or including (without duplication) any interest, costs and charges consisting of:

- (1) interest expense attributable to Capitalized Lease Obligations;
- (2) amortization of debt discount, debt issuance cost and premium;
- (3) non-cash interest expense;
- (4) commissions, discounts and other fees and charges owed with respect to financings not included in clause (2) above;
- (5) costs associated with Hedging Obligations;
- (6) dividends on other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a subsidiary of the Company;
- (7) the consolidated interest expense that was capitalized during such period; and
- (8) interest actually paid by the Company or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person.

“*Consolidated Leverage*” means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in clause (c) of the penultimate paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*”).

“*Consolidated Leverage Ratio*” means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available; *provided, however*, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

- (1) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a “Sale”) or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; *provided* that if any such sale constitutes “discontinued operations” in accordance with IFRS, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;
- (2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “Purchase”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period;
- (3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such

period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period; and

- (4) since the beginning of such period, a transfer of shares of, or other transaction has occurred or is contractually committed with respect to, the Company or any Restricted Subsidiary, that constitutes an event that is contemplated by clause (i) of the definition of “Specified Change of Control Event” (any such transaction, a “Specified Change of Control Transaction”), and solely for the purposes of making the determination pursuant to clause (i) of “Specified Change of Control Event,” Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto (including any cost savings and synergies that can reasonably expected to be obtained from cooperation and other arrangements associated with the Specified Change of Control Transaction) as if such Specified Change of Control Transaction (including such cost savings and synergies associated with the Specified Change of Control Transaction) had occurred on the first day of such period; *provided* that any determination made pursuant to the definition of “Consolidated Leverage Ratio” shall also give effect to any payments required under the Acquisition Agreement with respect to such Specified Change of Control Transaction.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Company (including in respect of cost savings and synergies) and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

“*Consolidated Net Income*” means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

- (1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company’s equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);
- (2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” any net income (loss) of any Restricted Subsidiary (other than Guarantors) 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 a Guarantor 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) restrictions specified in clause (11) (i) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*,” 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, to the limitation contained in this clause);
- (3) 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 an Officer or the Board of Directors of the Company);

- (4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge (including for the avoidance of doubt, (i) any rebranding of the business (or any part thereof); (ii) any separation of the business from the seller and/or its Affiliates (including any working capital impact); (iii) any spectrum related fees payable on or prior to December 31, 2013; and/or (iv) any tax referable to any payments, dividends or other distributions made or declared intra-group) or any charges or reserves in respect of any restructuring, redundancy or severance expense or other costs related to the Transactions, in each case, as determined in good faith by the Company;
- (5) the cumulative effect of a change in accounting principles;
- (6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;
- (7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;
- (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 of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;
- (9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;
- (10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;
- (11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenues in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated acquisition or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);
- (12) any goodwill or other intangible asset impairment charge, amortization or write-off;
- (13) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and
- (14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

“*Consolidated Secured Leverage Ratio*” means the Consolidated Leverage Ratio, but calculated by excluding all Indebtedness other than Secured Indebtedness.

“*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 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.

“*Credit Facility*” means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Senior Facilities Agreement or commercial paper facilities and

overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, 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 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 other banks or institutions and whether provided under the original Senior Facilities 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 Facility” 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 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 Agreement*” means in respect of a Person any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

“*CVC*” means any funds or limited partnerships managed or advised by CVC Capital Partners SICAV—FIS S.A. or any of its Affiliates or direct or indirect Subsidiaries or any trust, fund, company or partnership owned, managed or advised by CVC Capital Partners SICAV—FIS S.A. or any of its Affiliates or direct or indirect Subsidiaries or any limited partner of any such trust, fund, company or partnership.

“*Deemed Interest Payments*” means, with respect to any Euro Floating Rate Note, the amount of interest payments, as determined by the Issuer (in consultation with the Paying Agent) as of the relevant date, using an interest rate equal to 5.25% plus the six-month forward EURIBOR for euros as reported by Bloomberg.

“*Default*” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“*Designated Non-Cash Consideration*” means the fair market value (as determined in good faith by the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition 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, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*”

“*Designated Preference Shares*” means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as “Designated Preference Shares” pursuant to an Officer’s Certificate of the Company at or prior to the issuance thereof, 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 “—*Certain Covenants—Limitation on Restricted Payments.*”

“*Disinterested Director*” means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Company having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Company shall be deemed not to have such a financial interest by reason of such member’s holding Capital Stock of the Company or any Parent or any options, warrants or other rights in respect of such Capital Stock.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or
- (3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under “—*Certain Covenants—Limitation on Restricted Payments.*”

“*Equity Contribution*” means the contribution to the Company of shareholder funds on the Completion Date as part of the Transactions.

“*Equity Offering*” means (x) 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 Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of, or as Subordinated Shareholder Funding to, the Company or any of its Restricted Subsidiaries .

“*Escrowed Proceeds*” means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Proceeds” shall include any interest earned on the amounts held in escrow.

“*euro*” means the official currency of the European Union and, to the extent such currency ceases to exist, an equivalent amount of Swiss francs as mandated by the Swiss Central Bank with respect to the Notes and an equivalent amount of Swiss francs as mandated by the Central Bank of Luxembourg with respect to the Profit Participating Loans.

“*Euroclear*” means Euroclear Bank S.A./N.V., or any successor securities clearing agency.

“*European Government Obligations*” means any security that is (1) a direct obligation of Belgium, the Netherlands, France, Germany or any Permissible Jurisdiction, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“*European Union*” means all members of the European Union as of January 1, 2004.

“*Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“*Excluded Contribution*” means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Company.

“*fair market value*” may be conclusively established by means of an Officer’s Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

“*Floating Rate Applicable Premium*” means the greater of (A) 1% of the principal amount of such Euro Floating Rate Note and (B):

with respect to any Euro Floating Rate Note on any redemption date, the excess (to the extent positive) of:

- (1) the present value at such redemption date of (i) 102.000% of the principal amount of the Euro Floating Rate Note, plus (ii) the Deemed Interest Payments due on the Euro Floating Rate Note from the commencement of the current Interest Period to and including February 15, 2013 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over
- (2) the outstanding principal amount of such Euro Floating Rate Note,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

“*Governmental Authority*” means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

“*Guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“*Guarantor*” means any Restricted Subsidiary that Guarantees the Notes.

“*Hedging Obligations*” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a “Hedging Agreement”).

“*Holder*” means each Person in whose name the Notes are registered on the Registrar’s books, which shall initially be the respective nominee of Clearstream and Euroclear.

“*IFRS*” means International Financial Reporting Standards (formerly International Accounting Standards) (“IFRS”) endorsed from time to time by the European Union or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply; *provided* that at any date after the Issue Date the Company may make an irrevocable election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election.

“*Incur*” means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be “Incurred” at the time any funds are borrowed thereunder.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of indebtedness of such Person for borrowed money;
- (2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement

obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;
- (5) Capitalized Lease Obligations of such Person;
- (6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that 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 Persons;
- (8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term “Indebtedness” shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date, any asset retirement obligations, any prepayments of deposits received from clients or customers in the ordinary course of business, or 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. For the avoidance of doubt and notwithstanding the above, the term “Indebtedness” excludes any accrued expenses, trade payables and amounts payable in respect of Operating IRUs.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

- (i) Contingent Obligations Incurred in the ordinary course of business and obligations under or in respect of Qualified Receivables Financings;
- (ii) 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; or
- (iii) for the avoidance of doubt, any 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.

“*Independent Financial Advisor*” means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Company.

“*Initial Investors*” means Apax Partners LLP and any funds or partnerships managed or advised, directly or indirectly, by Apax Partners LLP or an Affiliate thereof, and, solely in their capacity as such, any limited partner of any such partnership or fund.

“*Initial Public Offering*” means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (the “IPO Entity”) following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

“*Intercreditor Agreement*” means the Intercreditor Agreement dated January 30, 2012, among, *inter alios*, the lenders and agent under the Senior Facilities Agreement as well as certain hedging counterparties, as amended on February 3, 2012, and as further amended from time to time and to which the Trustee will accede on the Issue Date.

“*Interest Rate Agreement*” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

“*Investment*” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of “—*Certain Covenants—Limitation on Restricted Payments:*”

- (1) “Investment” will include the portion (proportionate to the Company’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company’s “Investment” in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company’s equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company’s option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

“*Investment Grade*” means (i) BBB- or higher by S&P, (ii) Baa3 or higher by Moody’s, or (iii) the equivalent of such ratings by S&P or Moody’s, or of another Nationally Recognized Statistical Ratings Organization.

“*Investment Grade Securities*” means:

- (1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);
- (2) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction or Switzerland, Norway or any agency or instrumentality thereof (other than Cash Equivalents);
- (3) debt securities or debt instruments with a rating of “A-” or higher from S&P or “A3” or higher by Moody’s or the equivalent of such rating by such rating organization or, if no rating of Moody’s or S&P

then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

- (4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

“*Investment Grade Status*” shall occur when the Notes receive both of the following:

- (1) a rating of “BBB-” or higher from S&P; and
- (2) a rating of “Baa3” or higher from Moody’s;

or the equivalent of such rating by either such rating organization or, if no rating of Moody’s or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

“*IPO 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 at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

“*Issue Date*” means February 10, 2012.

“*Lien*” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“*Management Advances*” means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary:

- (1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person’s purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors of the Company;
- (2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or
- (3) not exceeding CHF 6.0 million in the aggregate outstanding at any time.

“*Management Investors*” means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

“*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. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*Nationally Recognized Statistical Rating Organization*” means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by its terms or by applicable law are required to be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

“Net Cash Proceeds,” with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“Note Documents” means the Notes (including Additional Notes), the indenture and the Security Documents.

“Officer” means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of the indenture by the Board of Directors of such Person.

“Officer’s Certificate” means, with respect to any Person, a certificate signed by one Officer of such Person.

“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 thereof for a period constituting all or substantially all of the expected useful life thereof.

“Opinion of Counsel” means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

“Orange” means Orange Communications SA.

“Orange Group” means Orange together with its subsidiaries.

“Parent” means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

“Parent Expenses” means:

- (1) costs (including all professional fees and expenses) Incurred by any Parent 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 Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;
- (2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;
- (3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;
- (4) fees and expenses payable by any Parent in connection with the Transactions;
- (5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions or the ownership, directly or indirectly, by any Parent;

- (6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Company, in an amount not to exceed CHF 5 million in any fiscal year; and
- (7) expenses Incurred by any Parent in connection with any Public Offering or other sale of Capital Stock or Indebtedness:
 - (x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary;
 - (y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or
 - (z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall 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.

“*Pari Passu Indebtedness*” means Indebtedness of the Company or any Guarantor if such Indebtedness or Guarantee ranks equally in right of payment to the Notes or the Notes Guarantees, as the case may be, and, in each case, is secured by a Lien on assets of the Company.

“*Paying Agent*” means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Note on behalf of the Company.

“*Permissible Jurisdiction*” means any member state of the European Union (other than Greece, Ireland, Portugal and Italy).

“*Permitted Asset Swap*” means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*”

“*Permitted Collateral Liens*” means (w) Liens on the Collateral (i) arising by operation of law that are described in one or more of clauses (3), (4) and (9) of the definition of “Permitted Liens” and that, in each case, would not materially interfere with the ability of the Security Agent to enforce the Security Interest in the Collateral or (ii) that are Liens in Secured Accounts equally and ratably granted to cash management banks securing cash management obligations, (x) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clauses (1), (2) (in the case of (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4)(a) and (c) (if the original Indebtedness was so secured), (5)(i) (covering only the shares and assets of the acquired Person the Indebtedness of which is so secured), (5)(ii), (6), (11) or (12) (in the case of (12), *provided* that the amount of Secured Indebtedness shall not exceed 80% of the aggregate Indebtedness Incurred under such clause) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” and any Refinancing Indebtedness in respect of such Indebtedness; *provided, however*, that (a) such Lien will not give an entitlement to be repaid with proceeds of enforcement of the Collateral in a manner which is inconsistent with the Intercreditor Agreement and any Additional Intercreditor Agreement and (b) notwithstanding the terms of any Intercreditor Agreement or Additional Intercreditor Agreement, no Indebtedness shall be given super priority status, except that in the context of a full refinancing of the Senior Facilities, super priority status may be incurred with respect to a super priority credit facility (limited to an aggregate amount of commitments not to exceed the greater of CHF 110 million and 0.4 multiplied by Consolidated EBITDA (measured at the time of commitment of such facility)) and to Hedging Obligations, (y) Liens on the Collateral securing Indebtedness incurred under the first paragraph of “—*Certain Covenants—Limitation on Indebtedness*”; *provided* that, in the case of this clause (y), after giving effect to such incurrence on that date, the Consolidated Secured Leverage Ratio is less than 3.0 to 1.0 and (z) Liens on the Collateral that secure Indebtedness on a basis junior to the Notes; *provided* that, in the case of this clause (z), the holders of such Indebtedness (or their representative) accede to the Intercreditor Agreement or an Additional Intercreditor Agreement.

“*Permitted Holders*” means, collectively, (1) the Initial Investors and any Affiliate thereof, (2) Senior Management (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity and (4) for the avoidance of doubt, only

pursuant to a transaction that is also a Specified Change of Control Event, (a) CVC and any funds or partnerships managed or advised by CVC or an Affiliate thereof, and, solely in their capacity as such, any limited partner of any such partnership or fund, (b) Sunrise (provided that there has been no change of control under the Sunrise Senior Facilities Agreement) and (c) any Affiliate of the foregoing. Any person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or (ii) a Change of Control which is also a Specified Change of Control Event, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“*Permitted Investment*” means (in each case, by the Company or any of its Restricted Subsidiaries):

- (1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;
- (2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;
- (3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) Management Advances;
- (7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition (but excluding a Permitted Asset Swap), in each case, that was made in compliance with “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*;”
- (9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date;
- (10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with “—*Certain Covenants—Limitation on Indebtedness*;”
- (11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed CHF 65 million; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause;
- (12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “—*Certain Covenants—Limitation on Liens*;”
- (13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent as consideration;
- (14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Affiliate Transactions*” (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);

- (15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the indenture;
- (16) guarantees, keepwells and similar arrangements not prohibited by the covenant described under “—*Certain Covenants—Limitation on Indebtedness;*” and
- (17) Investments in the Notes.

“*Permitted Liens*” means, with respect to any Person:

- (1) Liens on assets or property of a Restricted Subsidiary that is not the Issuer or a Guarantor securing Indebtedness of any Restricted Subsidiary that is not the Issuer or a Guarantor;
- (2) pledges, deposits or Liens under workmen’s compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;
- (3) Liens imposed by law, including carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s and repairmen’s or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;
- (4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;
- (5) Liens in favor of the Company of surety, performance or other bonds, guarantees or letters of credit or bankers’ acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Company or any Restricted Subsidiary in the ordinary course of its business;
- (6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, 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, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which 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 the Company and its Restricted Subsidiaries;
- (7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under the indenture;
- (8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;
- (9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

- (11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository or financial institution;
- (12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;
- (13) Liens existing on the Issue Date, excluding Liens securing the Senior Facilities Agreement and the Notes and, with respect to the assets of or capital stock of the Orange Group, Liens existing on the Completion Date;
- (14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); *provided, however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided, further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;
- (15) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;
- (16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;
- (17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;
- (18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;
- (19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (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 on cash accounts securing Indebtedness incurred under clause (11) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” with local financial institutions;
- (22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;
- (23) 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, or liens over cash accounts securing cash pooling arrangements;
- (24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;
- (25) Liens Incurred in the ordinary course of business with respect to obligations which do not exceed CHF 15 million at any one time outstanding;

- (26) Permitted Collateral Liens;
- (27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;
- (28) any security granted over the marketable securities portfolio described in clause (9) of the definition of “Cash Equivalents” in connection with the disposal thereof to a third party;
- (29) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing; and
- (30) Liens on Indebtedness permitted to be Incurred pursuant to clause (15) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness.*”

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

“*Preferred Stock*,” as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“*Priority Revolving Facility*” means any credit facility which is designated as a priority revolving facility pursuant to the Intercreditor Agreement.

“*Public Debt*” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

“*Public Market*” means any time after:

- (1) an Equity Offering has been consummated; and
- (2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of CHF 100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

“*Public Offering*” means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

“*Purchase Money Obligations*” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“*Qualified Receivables Financing*” means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors of the Company shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Company), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

“*Receivables Assets*” means any assets that are or will be the subject of a Qualified Receivables Financing.

“*Receivables 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 a Restricted Subsidiary in connection with, any Receivables Financing.

“Receivables Financing” means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Company or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Company or any such Subsidiary in connection with such accounts receivable.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables 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.

“Receivables Subsidiary” means a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Subsidiary and:

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Restricted Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Company or any other Restricted Subsidiary of the Company, (iii) is recourse to or obligates the Company or any other Restricted Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Company or any other Restricted Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;
- (2) with which neither the Company nor any other Restricted Subsidiary of the Company has any contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and
- (3) to which neither the Company nor any other Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officer’s Certificate certifying that such designation complied with the foregoing conditions.

“Refinance” means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms “refinances,” “refinanced” and “refinancing” as used for any purpose in the indenture shall have a correlative meaning.

“Refinancing Indebtedness” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the indenture or Incurred in compliance with the indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

- (1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, the Notes;

- (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and
- (3) if the Indebtedness being refinanced is expressly subordinated to the Notes or the Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

“*Related Person*” with respect to any Permitted Holder means:

- (1) any controlling equityholder or Subsidiary of such Person; or
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or
- (3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or
- (4) in the case of the Initial Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

“*Related Taxes*” means

- (1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:
 - (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company’s Subsidiaries);
 - (b) issuing or holding Subordinated Shareholder Funding;
 - (c) being a holding company parent, directly or indirectly, of the Company or any of the Company’s Subsidiaries;
 - (d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company’s Subsidiaries; or
 - (e) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to “—*Certain Covenants—Limitation on Restricted Payments*;” or
- (2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries.

“*Restricted Investment*” means any Investment other than a Permitted Investment.

“*Restricted Subsidiary*” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“*Reversion Date*” means, after the Notes have achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

“*S&P*” means Standard & Poor’s Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*SEC*” means the U.S. Securities and Exchange Commission or any successor thereto.

“*Secured Indebtedness*” means any Indebtedness secured by a Lien on a basis *pari passu* with or senior to the security in favor of the Notes.

“*Securities Act*” means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“*Security Documents*” means the Intercreditor Agreement and each collateral pledge agreement, security assignment agreement or other document under which collateral is pledged to secure the Notes.

“*Senior Facilities Agreement*” means the senior credit facility agreement dated January 30, 2012, among the Company, certain of the Company’s Subsidiaries, as borrowers and guarantors, the senior lenders (as named therein), and UBS AG, London Branch, as facility agent and security agent, as amended on February 3, 2012, and as further amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

“*Senior Finance Documents*” means the Senior Facilities Agreement and such other documents identified as “Senior Finance Documents” pursuant to the Senior Facilities Agreement.

“*Senior Management*” means the officers, directors, and other members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent and with an equity investment in excess of CHF 250,000.

“*Significant Subsidiary*” means any Restricted Subsidiary that meets any of the following conditions:

- (1) the Company’s and its Restricted Subsidiaries’ investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;
- (2) the Company’s and its Restricted Subsidiaries’ proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or
- (3) the Company’s and its Restricted Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

“*Similar Business*” means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date, (b) the telecommunications business, including the distribution, sale and for provision of mobile voice and data, fixed-line voice and internet services, transit voice traffic services, and other services in relation thereto and (c) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

“*Specified Change of Control Event*” means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that (i) at the time any transfer of shares or other change of control transaction is contractually committed, in the case of the Permitted Holders described in clause (4)(a) and clause (4)(b) of the definition thereof, the Consolidated Leverage Ratio would have been less than 4.25 to 1.0 and (ii) in any other case, the Consolidated Leverage Ratio would have been less than 2.75 to 1.0, immediately prior to the occurrence of such event and immediately thereafter and giving pro forma effect thereto. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the indenture after the date of the completion of the Acquisition.

“*Standard Securitization Undertakings*” means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“*Stated Maturity*” means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“*Subordinated Indebtedness*” means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or its Guarantees pursuant to a written agreement.

“*Subordinated Shareholder Funding*” means, collectively, any funds provided to the Company by a Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Parent or a Permitted Holder, 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 Funding; *provided, however*, that such Subordinated Shareholder Funding:

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);
- (2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;
- (4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and
- (5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

“*Subsidiary*” means, with respect to any Person:

- (1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar 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) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or
- (2) any partnership, joint venture, limited liability company or similar entity of which:
 - (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or 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.

“*Successor Parent*” with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, “beneficially owned” (as defined below) by one or more Persons that “beneficially owned” (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, “beneficially own” has the meaning correlative to the term “beneficial owner,” as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

“*Sunrise*” means Sunrise Communications AG.

“*Sunrise Exchange Transaction*” means an exchange offer by Sunrise Secured Issuer pursuant to which one or more series of Sunrise Secured Qualified Notes are offered in exchange for all outstanding CHF Fixed Rate Notes issued under the indenture; *provided*, that (i) no Default or Event of Default has occurred and is continuing

at the time any such exchange offer is made or would result therefrom, (ii) holders of a majority in aggregate principal amount of the outstanding CHF Fixed Rate Notes have elected to participate in such offer, (iii) for each CHF 1,000 in principal amount of CHF Fixed Rate Notes tendered and accepted, each holder tendering such CHF Fixed Rate Notes will receive CHF 1,000 in principal amount of Sunrise Secured Qualified Notes, (iv) the exchange offer complies with Rule 14e-1 under the Exchange Act and any other applicable securities law or regulation, (v) Sunrise Secured Issuer accepts for exchange all CHF Fixed Rate Notes tendered in such exchange offer and issues the relevant Sunrise Secured Qualified Notes in exchange therefor, (vi) subject to regulatory constraints, the exchange offer is open to all holders of the CHF Fixed Rate Notes on substantially similar terms, (vii) the exchange offer is not conditioned upon holders of the CHF Fixed Rate Notes consenting to any amendments to the terms of the CHF Fixed Rate Notes or the indenture and (viii) in connection therewith, the Issuer and its Restricted Subsidiaries will become direct or indirect Subsidiaries of Sunrise Secured Issuer.

“*Sunrise Secured Issuer*” means Sunrise Communications International S.A., together with its successors.

“*Sunrise Secured Qualified Notes*” means (a) senior secured notes issued by Sunrise Secured Issuer; *provided*, that (i) such senior secured notes will be guaranteed and secured to the same extent that other senior secured securities of Sunrise Secured Issuer existing on the date of the Sunrise Exchange Transaction are guaranteed or secured; *provided* that in any event such senior secured notes will be secured to the same extent as Sunrise Secured Issuer’s senior secured securities existing on the Issue Date, (ii) the Indebtedness incurred under such senior secured notes is permitted to be Incurred pursuant to the terms and conditions of any other Indebtedness of Sunrise Secured Issuer and its Subsidiaries outstanding upon consummation of the Sunrise Exchange Transaction, (iii) the terms and conditions of such senior secured notes (other than with respect to pricing and redemption) and the indenture governing such senior secured notes shall be substantially similar to, and in any event no less favorable to the holders of the CHF Fixed Rate Notes than, the terms and conditions contained in the indentures governing the senior secured notes of Sunrise Secured Issuer outstanding on the date of the Sunrise Exchange Transaction, (iv) the interest rate applicable to each series of such senior secured notes shall not be less than the interest rate applicable to the series of the CHF Fixed Rate Notes for which they are exchanged, (v) all amounts due and owing on such senior secured notes will be payable in the same currency as the CHF Fixed Rate Notes for which they are exchanged, (vi) the redemption provisions of such senior secured notes will have at least the remaining call protection applicable to the CHF Fixed Rate Notes for which they are exchanged and (vii) the Stated Maturity of such senior secured notes will be no later than the Stated Maturity of the CHF Fixed Rate Notes; or (b) Sunrise SPV Notes.

“*Sunrise Senior Facilities Agreement*” means the senior credit facilities agreement dated September 17, 2010, among, *inter alios*, the Sunrise, BNP Paribas as agent and Deutsche Bank AG, London Branch as security agent, as amended and restated on October 7, 2010 and as further amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

“*Sunrise SPV*” means a special purpose entity formed for the purpose of issuing Sunrise SPV Notes and uses, or will use, any cash or non-cash proceeds acquired in exchange for such Sunrise SPV Notes to provide one or more additional facilities under Sunrise Secured Issuer’s credit facilities (to the extent permitted thereby, including pursuant to any amendment thereto) and thereupon, will be a lender under such credit facilities.

“*Sunrise SPV Notes*” means senior secured notes issued by Sunrise SPV; *provided*, that (i) such senior secured notes will be secured by substantially all assets of the Sunrise SPV, including all loans made by the Sunrise SPV to Sunrise Secured Issuer under Sunrise Secured Issuer’s credit facilities or related rights with respect to the credit facilities, (ii) the interest rate applicable to each series of such senior secured notes shall not be less than the interest rate applicable to the series of the CHF Fixed Rate Notes for which they are exchanged, (iii) all amounts due and owing on such senior secured notes will be payable in the same currency as the CHF Fixed Rate Notes for which they are exchanged, (iv) the redemption provisions of such senior secured notes will be at least as favorable to holder of the CHF Fixed Rate Notes as the redemption provisions applicable to the CHF Fixed Rate Notes for which they are exchanged (determined as if such Sunrise Secured Qualified Notes had been issued on the Issue Date) and (v) the Stated Maturity of such senior secured notes will be no later than the Stated Maturity of the CHF Fixed Rate Notes.

“*Swiss Government Bond Rate*” means the yield to maturity at the time of computation of direct obligations of the Swiss Confederation (*Staatsanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Company in good faith)) most nearly equal to the period from the redemption date to February 15, 2015; *provided, however*, that if the period from the redemption date to February 15, 2015 is not equal to the constant maturity of a direct obligation of the Swiss

Confederation for which a weekly average yield is given, the Swiss Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Swiss Confederation for which such yields are given, except that if the period from such redemption date to February 15, 2015 is less than one year, the weekly average yield on actually traded direct obligations of the Swiss Confederation adjusted to a constant maturity of one year shall be used.

“*Swiss Government Obligations*” means any security that is (1) a direct obligation of Switzerland for the payment of which the full faith and credit of Switzerland is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of Switzerland the payment of which is unconditionally Guaranteed as a full faith and credit obligation by Switzerland, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“*Taxes*” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

“*Tax Sharing Agreement*” means any tax sharing or profit and loss pooling or similar agreement with customary or arm’s-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the indenture.

“*Temporary Cash Investments*” means any of the following:

- (1) any investment in
 - (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any Permissible Jurisdiction, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or
 - (b) direct obligations of any country recognized by the United States of America rated at least “A” by S&P or “A-1” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers’ acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:
 - (a) any lender under the Senior Facilities Agreement;
 - (b) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above; or
 - (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least “A” by S&P or “A-2” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;
- (4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of “P-2” (or higher) according to Moody’s or “A-2” (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any

Permissible Jurisdiction or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least “BBB” by S&P or “Baa3” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

- (6) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least “A” by S&P or “A2” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;
- (8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and
- (9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

“*Total Assets*” means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with IFRS as shown on the most recent balance sheet of such Person.

“*Transactions*” means the transactions contemplated by the Acquisition Agreement, the Equity Contribution, the Profit Participating Loans, any bridge credit facility agreement to which the Company or the Issuer is a party and any other issuance of intercompany debt, the issuance of the Notes and the Senior Notes, the Security Documents and borrowings under the Senior Facilities Agreement as in effect on the Issue Date, the repayment or discharge of existing indebtedness of the Orange Group, the closing out or replacement of Hedging Obligations pursuant to the foregoing, and the payment or incurrence of any fees, expense or charges associated with any of the foregoing.

“*Trust Indenture Act*” means the Trust Indenture Act of 1939, as amended.

“*U.S. GAAP*” means generally accepted accounting principles in the United States of America as in effect from time to time.

“*Uniform Commercial Code*” means the New York Uniform Commercial Code.

“*Unrestricted Subsidiary*” means:

- (1) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein but not including the Issuer) to be an Unrestricted Subsidiary only if:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and
- (2) such designation and the Investment of the Company in such Subsidiary complies with “—*Certain Covenants—Limitation on Restricted Payments.*”

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer’s Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Company could Incur at least CHF 1.00 of additional Indebtedness pursuant to the first paragraph of the “*Limitation on Indebtedness*” covenant or (y) the Consolidated Leverage Ratio would not be greater than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of such Board of Directors giving effect to such designation or an Officer’s Certificate certifying that such designation complied with the foregoing provisions.

“*Voting Stock*” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

“*Wholly Owned Subsidiary*” means a Restricted Subsidiary of the Company, all of the Voting Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Subsidiary.

DESCRIPTION OF THE SENIOR NOTES

The following is a description of the €225,000,000 aggregate principal amount of 8.25% Senior Notes due 2020 (the “Notes”). The Notes will be issued by Matterhorn Mobile Holdings S.A., a société anonyme organized under the laws of the Grand Duchy of Luxembourg (the “Issuer”), and unconditionally guaranteed on a senior basis by certain material subsidiaries of the Issuer, including Matterhorn Mobile S.A. (the “Senior Secured Notes Issuer”).

In this Description of the Senior Notes, the “Issuer” refers only to Matterhorn Mobile Holdings S.A., and any successor obligor to Matterhorn Mobile Holdings S.A. on the Notes, and not to any of its subsidiaries, including the Senior Secured Notes Issuer. The Senior Secured Notes Issuer has been organized as a société anonyme organized under the laws of the Grand Duchy of Luxembourg and shall issue Senior Secured Notes due 2019 (the “Senior Secured Notes”) concurrently with the issuance of the Notes.

The proceeds of the offering of the Notes sold on the Issue Date will be used by the Issuer, together with amounts drawn under the Senior Facilities Agreement, the proceeds of the Senior Secured Notes and the Equity Contribution to fund, directly or indirectly, the purchase price for the Acquisition including any adjustments or interest payments under the Acquisition Agreement; to pay fees, costs and expenses incurred in connection with the Transactions; and in the case of the facilities under the Senior Facilities Agreement and the Equity Contribution only, to be on-loaned to the Orange Group for the repayment or discharge of existing indebtedness of the Orange Group together with any other fees, costs and expenses payable in connection therewith, as set forth in this Prospectus under the caption “*Use of Proceeds.*”

Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the initial purchasers will, concurrently with the closing of the offering of the Notes on the Issue Date, deposit the gross proceeds of this offering of the Notes less certain deductions with respect to fees and expenses into a segregated escrow account (the “Senior Notes Escrow Account”) pursuant to the terms of an escrow deed (the “Senior Notes Escrow Agreement”) dated as of the Issue Date among, *inter alios*, the Issuer, Deutsche Trustee Company Limited, as trustee (the “Trustee”) and Deutsche Bank AG, London Branch as Senior Notes Escrow Agent (the “Escrow Agent”). If the Acquisition is not consummated on or prior to May 10, 2012 (the “Escrow Longstop Date”), the Notes will be redeemed at a price equal to 100% of the initial issue price of the Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below). See “—*Escrow of Proceeds; Special Mandatory Redemption.*”

Upon the initial issuance of the Notes, the Notes will be obligations of the Issuer and will be guaranteed by the Senior Secured Notes Issuer. Assuming the Completion Date occurs on or prior to the Escrow Longstop Date and the funds are released from the Senior Notes Escrow Account, the Guarantors specified below will become a party to the indenture and will guarantee the Notes on a senior basis as soon as reasonably practicable after the Completion Date but in any case no later than 60 days from the Completion Date. Prior to the Completion Date, the Issuer and the Senior Secured Notes Issuer will not control Orange or any of its Subsidiaries, and none of Orange nor any of its Subsidiaries will be subject to the covenants described in this Description of the Senior Notes. As such, we cannot assure you that prior to the Completion Date, Orange and its Subsidiaries will not engage in activities that would otherwise have been prohibited by the indenture had those covenants been applicable to such entities after the Issue Date and prior to the Completion Date.

The Issuer will issue the Notes under an indenture to be dated as of the Issue Date among, *inter alios*, the Issuer and Deutsche Trustee Company Limited, as Trustee. The Guarantors that are Restricted Subsidiaries of the Issuer are referred to herein as the “Guarantors,” and each guarantee provided by such a Guarantor, a “Guarantee.” The Notes will be issued in private transactions that are not subject to the registration requirements of the Securities Act. See “*Notice to Investors.*” The terms of the Notes include those stated in the indenture and will not incorporate provisions by reference to the Trust Indenture Act. The Notes are subject to all such terms pursuant to the provisions of the indenture, and Holders of the Notes are referred to the indenture for a statement thereof.

The following is a summary of the material provisions of the indenture, the Senior Notes Escrow Agreement and the Security Documents and does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all provisions of the indenture, the Senior Notes Escrow Agreement and the Security Documents, respectively. Because this is a summary, it may not contain all the information that is important to you. You should read the indenture, the Senior Notes Escrow Agreement and the Security Documents in their entirety. Copies of the indenture and the Intercreditor Agreement are available as described under “*Available Information.*” You can find the definitions of certain terms used in this description under “—*Certain Definitions.*”

Brief Description of the Notes and the Guarantees

The Notes

- are senior obligations of the Issuer;
- rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not subordinated to the Notes (including the senior guarantee given by the Issuer in favor of the Senior Facilities Agreement and the Senior Secured Notes), but are subject to restrictions on payment in certain circumstances described under “*Description of Certain Financing Arrangements—Intercreditor Agreement*”;
- rank senior in right of payment to any existing and future obligations of the Issuer that is expressly subordinated to the Notes;
- are effectively subordinated to any existing and future secured Indebtedness of the Issuer and its Subsidiaries that are secured by liens ranking ahead of the liens securing the Notes or secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness (including the Senior Secured Notes and the Senior Facilities Agreement); and
- are effectively subordinated to any existing and future Indebtedness of Subsidiaries of the Issuer that do not guarantee the Notes.

The Guarantees

The Notes will, as of the Completion Date, initially be guaranteed by the Senior Secured Notes Issuer and after the Issue Date by the Guarantors described herein.

Each Guarantee of the Notes will, upon issuance:

- be a senior subordinated obligation of the relevant Guarantor;
- be subordinated in right of payment to all existing and future Senior Indebtedness of each Guarantor (including the Guarantors’ obligations under the Senior Secured Notes, the Senior Facilities Agreement and any Hedging Agreements);
- rank *pari passu* in right of payment with any existing and future senior subordinated indebtedness of that Guarantor;
- rank senior in right of payment to any existing and future obligations of that Guarantor that is expressly subordinated to such Guarantee;
- be effectively subordinated to any existing and future indebtedness of that Guarantor that is secured by liens senior to the liens securing that Guarantor’s guarantee or secured with property or assets that do not secure that Guarantor’s guarantee, to the extent of the value of the property or assets securing such indebtedness; and
- be subject to the guarantee limitations described herein and in “*Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability.*”

Payment under the Guarantees will be expressly subordinated in right of payment to the payment when due of all Senior Indebtedness of the Guarantors (including Indebtedness Incurred under the Senior Facilities Agreement, the Senior Secured Notes and any Hedging Agreements). As a result of this subordination, holders of Senior Indebtedness of any Guarantor will be entitled to receive full payment on all obligations owed to them before any payment can be made to holders of the Notes in respect of the Guarantees.

Subordination of the Guarantees on the Basis of the Intercreditor Agreement

Each of the Guarantees is a senior subordinated Guarantee, which means that, pursuant to the terms of the Intercreditor Agreement, each such Guarantee ranks behind, and is expressly subordinated to, all the existing and future Senior Indebtedness of the relevant Guarantor, including any obligations owed by the relevant Guarantor under the Senior Facilities Agreement and the Senior Secured Notes. The ability to take enforcement action against the Guarantors under their Guarantees is subject to significant restrictions imposed by the Intercreditor Agreement and the terms of the Guarantees, and potentially any Additional Intercreditor Agreements entered into after the Issue Date. For a description of the restrictions imposed by the Intercreditor Agreement, see “*Certain Financing Arrangements—Intercreditor Agreement.*”

Because of the foregoing subordination provisions, it is likely that holders of Senior Indebtedness and other creditors (including trade creditors) of a Guarantor would recover disproportionately more than the holders of the Notes recover in any insolvency or similar proceeding relating to such Guarantor. In any such case, there may be insufficient assets, or no assets, remaining to pay the principal of or interest on the Notes.

Principal, Maturity and Interest

The Issuer will issue €225 million in aggregate principal amount of Notes on the Issue Date. The Notes will mature on February 15, 2020. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The rights of holders of beneficial interests in the Notes to receive the payments on such Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Interest on the Notes will accrue at the rate of 8.25% per annum and will be payable, in cash, semi-annually in arrears on February 15 and August 15 of each year, commencing on August 15, 2012, to holders of record on the immediately preceding February 1 and August 1, respectively. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Additional Notes

The Issuer may issue an unlimited principal amount of additional Notes having identical terms and conditions as the Notes (the “Additional Notes”) so long as such issuance is in compliance with the covenants contained in the indenture, including the covenant restricting the Incurrence of Indebtedness (as described below under “—*Certain Covenants—Limitation on Indebtedness*”). The Notes issued in this offering and, if issued, any Additional Notes will be treated as a single class for all purposes under the indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise provided for in the indenture. Unless the context otherwise requires, in this “*Description of the Senior Notes*,” references to the “Notes” include the Notes and any Additional Notes that are actually issued.

Methods of Receiving Payments on the Notes

Principal, premium, if any, interest and Additional Amounts (defined below), if any, on the Global Notes (as defined below) will be payable at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to Notes represented by one or more Global Note registered in the name of or held by a nominee of Euroclear or Clearstream, as applicable, will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, interest and Additional Amounts, if any, on any certificated securities (“Definitive Registered Notes”) will be payable at the specified office or agency of one or more Paying Agents in the City of London and Luxembourg, in each case, maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes. See “—*Paying Agent and Registrar for the Notes*.”

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each a “Paying Agent”) for the Notes in the City of London (the “Principal Paying Agent”) and in Luxembourg for so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require. The Issuer will also undertake, to the extent possible, to use reasonable efforts to maintain 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 Council Directive 2003/48/EC regarding the taxation of savings income (the “Directive”). The initial Paying Agents for the Notes will be Deutsche Bank AG, London Branch in London and Deutsche Bank Luxembourg S.A. in Luxembourg.

The Issuer will also maintain one or more registrars (each, a “Registrar”) with offices in Luxembourg, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and its rule so require. The Issuer will also maintain a transfer agent in Luxembourg. The initial Registrar and transfer agent will be Deutsche Bank Luxembourg S.A. in Luxembourg. The Registrar and the transfer agent in Luxembourg will

maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuer. Each transfer agent shall perform the functions of a transfer agent.

The Issuer may change any Paying Agent, Registrar or transfer agent for the Notes without prior notice to the Holders of the Notes. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg 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 Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

Transfer and Exchange

The Notes will initially be issued in the form of registered notes in global form without interest coupons, as follows:

- The Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by global notes in registered form without interest coupons attached (the “144A Global Notes”).
- The 144A Global Notes will, upon issuance, be deposited with and registered in the name of the common depositary for the accounts of Euroclear and Clearstream.
- The Notes sold outside the United States pursuant to Regulation S under the 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 144A Global Notes, the “Global Notes”).
- The Regulation S Global Notes will, upon issuance, be deposited with and registered in the name of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes (“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 “*Notice to Investors*.” In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes 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 Securities Act.

Prior to 40 days after the date of initial issuance of the Notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A 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 to a person who 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 law of any other jurisdiction.

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 aggregate principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of

instructions relating thereto and any certificates, opinions 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 to be 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 “*Transfer Restrictions*.”

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 aggregate principal amount and integral multiples of €1,000 in excess thereof. 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, to furnish information regarding the account of the transferee at Euroclear or Clearstream, as applicable, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of such Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of such 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 applicable to such Notes; or
- (4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Registrar and the Paying Agents will be entitled to treat the Holder of a Note as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

Immediately after the issuance of the Notes and upon the Completion Date, all of the Issuer’s Subsidiaries will be Restricted Subsidiaries. In the circumstances described below under “—*Certain Definitions—Unrestricted Subsidiary*,” the Issuer will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the indenture.

Escrow of Proceeds; Special Mandatory Redemption

Concurrently with the closing of the offering of the Notes on the Issue Date, the Issuer will enter into the Senior Notes Escrow Agreement with, *inter alios*, the Trustee and the Escrow Agent, pursuant to which the initial purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of this offering of the Notes less certain deductions with respect to fees and expenses into the Senior Notes Escrow Account. The initial funds deposited in the Senior Notes Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Senior Notes Escrow Account (less any property and/or funds paid in accordance with the Senior Notes Escrow Agreement) are referred to, collectively, as the “Senior Notes Escrowed Property.” The Senior Notes Escrowed Property will be controlled by, and pledged on a first ranking basis in favor of, the Trustee on behalf of the Holders of the Notes.

In order to cause the Escrow Agent to release the Senior Notes Escrowed Property to the Issuer (the “Release”), the Escrow Agent and the Trustee shall have received from the Issuer, on or before the Escrow Longstop Date, an Officer’s Certificate to the effect that:

- (1) (i) the Acquisition will be consummated, promptly upon release of the Senior Notes Escrowed Property and (ii) no material term or condition of the Acquisition Agreement has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of Holders of the Notes, other than any amendment or waiver made with the consent of Holders of a majority of the outstanding Notes (provided that if the Majority Lenders, as defined in, and pursuant to the Senior Facilities Agreement shall have consented to any such amendment or waiver (or the Senior Facilities are drawn without any such consent being required) then the consent of the Holders of a majority of the outstanding Notes shall be deemed to have been granted to such amendment or waiver);

- (2) immediately after consummation of the Acquisition, the Issuer will own, directly or indirectly, the entire share capital of Orange; and
- (3) as of the Completion Date, there are no events of bankruptcy, insolvency or court protection with respect to the Issuer or the Senior Secured Notes Issuer.

The Release will occur promptly upon the satisfaction of the conditions set forth above (the date of such satisfaction, the “Completion Date”). Upon the Release, the Senior Notes Escrowed Property will be paid out in accordance with the Senior Notes Escrow Agreement and the Senior Notes Escrow Account will be reduced to zero.

In the event that (a) the Completion Date does not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the Issuer, the Acquisition will not be consummated on or prior to the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time on or prior to the Escrow Longstop Date or (d) there is there an event of bankruptcy, insolvency or court protection with respect to the Issuer or the Senior Secured Notes Issuer on or prior to the Escrow Longstop Date (the date of any such event being the “Special Termination Date”), the Issuer will redeem all of the Notes (the “Special Mandatory Redemption”) at a price (the “Special Mandatory Redemption Price”) equal to 100% of the aggregate issue price of the Notes, 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 the Special Termination Date, to the Trustee and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Senior Notes Escrow Agreement (the “Special Mandatory Redemption Date”). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Principal Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder’s Notes and, concurrently with the payment to such Holders, deliver any excess Senior Notes Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Senior Notes Escrowed Property, one or more of the Initial Investors will be required to fund the accrued and unpaid interest, and Additional Amounts, if any, owing to the holders of the Notes, pursuant to a commitment provided by such fund(s).

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Notes a security interest in the Senior Notes Escrow Account.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such special mandatory redemption.

The Profit Participating Loans

On the Completion Date, the Issuer will lend to the Senior Secured Notes Issuer, pursuant to a profit participating loan, the net proceeds of the issuance of the Notes (the “Issuer Profit Participating Loan”). On the same date, a portion of the proceeds of drawings under the Senior Facilities Agreement and of the Equity Contribution will be on-loaned from the Senior Secured Notes Issuer to Orange pursuant to a further profit participating loan (the “Senior Secured Notes Issuer Profit Participating Loan”). In addition, following the Completion Date, it is anticipated that Orange will declare (but leave outstanding) a dividend from its distributable reserves, which will give rise to a further profit participating loan in favor of the Senior Secured Notes Issuer (the “Orange Profit Participating Loan” and, together with the Senior Secured Notes Issuer Profit Participating Loan and the Issuer Profit Participating Loan, the “Profit Participating Loans”). The Profit Participating Loans will be subordinated in right of payment to the Notes and the Guarantees pursuant to the Intercreditor Agreement.

It is anticipated that funds received by the Senior Secured Notes Issuer from Orange as payments of interest under the Profit Participating Loans will be used to service interest payments under the Senior Secured Notes. Such funds will also be used to service interest payments on the Company Profit Participating Loan owed by the Senior Secured Notes Issuer to the Issuer, such that the Issuer in turn will receive funds for the purpose of making interest payments on the Notes.

As the Profit Participating Loans do not bear interest at a rate identical to that of the Notes or the Senior Secured Notes, Orange and the Senior Secured Notes Issuer may in addition upstream further funds as needed by their respective parents, including to make interest payments on the Notes, by means of dividends or loans or by the repayment of principal under the Profit Participating Loans.

The indenture for the Notes will not contain any restrictions on the ability of the Issuer or any of its Restricted Subsidiaries to amend the terms of the Profit Participating Loans.

Guarantees

The obligations of the Issuer pursuant to the Notes, including any payment obligation resulting from a Change of Control, will (subject to the Agreed Security Principles) be guaranteed, jointly and severally on a senior subordinated basis by each material subsidiary of the Issuer that is a guarantor under the Senior Facilities Agreement (each a “Guarantor” and such guarantee, a “Guarantee”).

The initial Guarantors and their respective jurisdictions of incorporation will be as follows:

Matterhorn Mobile S.A.	Luxembourg
Orange Communications SA	Switzerland
Orange Network SA	Switzerland

For the twelve months ended September 30, 2011, after giving effect to the Transactions, the Guarantors account for substantially all of the revenues, EBITDA and total assets of the Issuer and its Subsidiaries.

As of the Issue Date, the Senior Secured Notes Issuer will be the sole Guarantor. Orange and Orange Network SA will deliver the relevant Guarantee as soon as practicable after the closing of the Acquisition but in any case within 60 days of the closing of the Acquisition.

In addition, as described below under “—*Certain Covenants—Additional Guarantees*” and subject to the Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary of the Issuer that guarantees the Senior Facilities Agreement, Public Debt or certain other indebtedness shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Senior Facilities Agreement, the Notes and the Senior Secured Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules, retention of title claims and similar matters.

Each Guarantee will be limited to the maximum amount that would not render the Guarantor’s obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor’s obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See “*Risk Factors—Risks Related to Our Structure—Each Note Guarantee and security interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability,*” “*Risk Factors—Risks Related to Our Structure—The Swiss collateral is subject to hardening periods and the Swiss guarantees are subject to fraudulent transfer*” and “*Risk Factors—Risks Related to Our Structure—The insolvency laws of Luxembourg and Switzerland may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.*”

The Guarantee of a Guarantor will terminate and release upon:

- a sale or other disposition (including by way of consolidation or merger) of ownership interests in the Guarantor (directly or through a parent company) such that the Guarantor does not remain a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Issuer or a Restricted Subsidiary), in each case, otherwise permitted by the indenture;
- the designation in accordance with the indenture of the Guarantor as an Unrestricted Subsidiary;
- defeasance or discharge of the Notes, as provided in “—*Defeasance*” and “—*Satisfaction and Discharge*”;
- with respect to a Guarantor that is not a Significant Subsidiary, so long as no Event of Default has occurred and is continuing, to the extent that such Guarantor (i) is unconditionally released and discharged from its liability with respect to the Senior Facilities Agreement and the Senior Secured Notes and (ii) does not guarantee any other Credit Facility or Public Debt;

- in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- as described under “—*Amendments and Waivers*”.

Substantially all the operations of the Issuer are conducted through its Subsidiaries. Claims of creditors of non-guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred and minority stockholders (if any) of those Subsidiaries generally will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of Subsidiaries of the Issuer (other than the Guarantors). As of and for the nine months ended September 30, 2011, after giving effect to the Transactions, the total liabilities of the Issuer’s non-guarantor Subsidiaries were immaterial. Although the indenture limits the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the indenture does not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the indenture. See “—*Certain Covenants—Limitation on Indebtedness*.”

Security

The Collateral

Pursuant to the Security Documents to be entered into on or prior to the Completion Date, each of the Issuer and the Senior Secured Notes Issuer has granted or will grant in favor of UBS AG, London Branch, as security agent (the “Security Agent”), liens and security interests on a second priority basis, subject to the operation of the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, over those of its assets listed below:

- shares of capital stock of the Senior Secured Notes Issuer (to be granted by the Issuer); and
- loans made by the Issuer to the Senior Secured Notes Issuer (including the Issuer Profit Participating Loan described above under “—*The Profit Participating Loans*”).

All Collateral shall be subject to the operation of the Agreed Security Principles and any Permitted Collateral Liens.

Notwithstanding the foregoing, certain assets will not be pledged (or the Liens not perfected) in accordance with the Agreed Security Principles, including:

- if the cost of providing security is not proportionate to the benefit accruing to the Holders;
- if there is material incremental cost involved in creating security over all assets of a Guarantor in a particular category of assets, only the material assets in that category will be subject to security;
- if providing such security requires consent before such assets may be secured or where providing such security would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of the Issuer, the Senior Notes Issuer or any of their Subsidiaries in respect of those assets or require any of them to take any action materially adverse to their interests and where (subject to certain conditions being met) such consent cannot be obtained after the use of reasonable endeavors;
- if providing such security would be prohibited by applicable law, general statutory limitations, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules or similar matters or providing security would be outside the applicable pledgor’s capacity or conflict with fiduciary duties of directors or cause material risk of personal or criminal liability after the use of reasonable endeavors to overcome such prohibitions (if possible);
- if in certain jurisdictions it may be either impossible or impractical to create security over certain categories of assets, security will not be taken over such assets;
- if providing such security would have a material adverse effect (as reasonably determined in good faith by such Subsidiary) on the ability of such Subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the indenture and any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to this principle;

- no perfection action will be required in jurisdictions where a Guarantor is not located but perfection action may be required in the jurisdiction of one Guarantor in relation to security granted by another Guarantor located in a different jurisdiction and (where otherwise consistent with the Agreed Security Principles) in any supra-national registries agreed between the Issuer and the Security Agent from time to time;
- in the case of bank accounts, if providing such security or perfecting liens thereon would require giving notice to the banks with whom the accounts are maintained, such notice will only be provided after the Notes are accelerated; and
- in the case of receivables, notification of receivables security to debtors and of security over goods held by third parties will only be provided after the Notes are accelerated, subject to certain exceptions.

The Collateral, which will secure the Notes on a second priority basis, will also secure, on a prior basis, the liabilities under the Senior Facilities Agreement, certain hedging arrangements and the Senior Secured Notes. Subject to certain conditions, including compliance with the covenant described under “*Certain Covenants—Impairment of Security Interest*,” the Issuer is permitted to grant security over the Collateral in connection with future issuances of its Indebtedness or Indebtedness of its Restricted Subsidiaries, including any Additional Notes, in each case, as permitted under the indenture.

Administration of Security and Enforcement of Liens

The Security Documents and the Collateral will be administered by the Security Agent, in each case pursuant to the Intercreditor Agreement for the benefit of all holders of secured obligations. The enforcement of the Security Documents will be subject to the procedures set forth in the Intercreditor Agreement. In general, the rights of the Security Agent (acting on its own behalf or on behalf of the Holders) to take enforcement action under the Security Documents with respect to the Collateral are subject to certain standstill provisions and payment blockage and other limitations on enforcement. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*.”

The ability of holders of the Notes to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Issuer’s or a Guarantor’s bankruptcy. See “*Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations and enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability*” and “*Risk Factors—Risks Related to Our Structure—The insolvency laws of Luxembourg and Switzerland may not be as favorable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes*”. In addition, the enforcement of the Collateral will be limited to the maximum amount required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. As a result of these limitations, the enforceable amounts of the Issuer’s obligation under the Notes and a Guarantor’s obligation under its Guarantee could be significantly less than the total amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See “*Risk Factors—Risks Related to Our Structure—Each Notes Guarantee and security interest will be subject to certain limitations and enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability*.”

Subject to the terms of the Security Documents, the Issuer and the Senior Secured Notes Issuer will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

No appraisals of any of the Collateral have been prepared by or on behalf of the Issuer in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the holders of the Notes after satisfying the senior obligations owed to the holders of the Senior Secured Notes and paying obligations under the Senior Facilities Agreement and any hedging obligations. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all.

In addition, the Intercreditor Agreement places limitations on the ability of the Security Agent to cause the sale of some of the Collateral. These limitations may include requirements that some or all of the Collateral be disposed of only pursuant to public auctions or only at a price confirmed by a valuation. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*.”

The Trustee for the Notes has, and by accepting a Note, each Holder will be deemed to have:

- irrevocably appointed UBS AG, London Branch, as Security Agent to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (ii) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf; and
- accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below) and each Holder will also be deemed to have authorized the Trustee to enter into any such Additional Intercreditor Agreement.

Priority

The relative priority with regard to the Collateral as between (a) the lenders under the Senior Facilities Agreement, (b) the counterparties under certain hedging contracts, (c) the Trustee and the Holders with respect to the Senior Secured Notes and (d) the Trustee and the Holders under the indenture, is established by the terms of the Intercreditor Agreement and the Security Documents, which provide that the obligations under the Senior Facilities Agreement, such hedging contracts and the Senior Secured Notes will receive proceeds or enforcement of security over the Collateral equally and ratably on a first priority basis, and the Notes will receive proceeds from enforcement of the relevant Collateral only after the claims of the Senior Facilities Agreement, the hedging contracts and the Senior Secured Notes are satisfied. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*” In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. The creditors under any Senior Indebtedness will receive proceeds from an enforcement of the Collateral in priority to the Trustee and the Holders under the indenture. See “—*Release of Liens,*” “—*Certain Covenants—Impairment of Security Interest*” and “—*Certain Definitions—Permitted Collateral Liens.*”

Release of Liens

The Security Agent will take any action required to effectuate any release of Collateral required by a Security Document:

- (1) upon payment in full of principal, interest and all other obligations in respect of the Notes issued under the indenture or discharge or defeasance thereof in accordance with the indenture;
- (2) upon release of a Guarantee (with respect to the Liens securing such Guarantee granted by such Guarantor) in accordance with the indenture;
- (3) in connection with any disposition of Collateral, directly or indirectly, to (a) any Person other than the Issuer or any of its Restricted Subsidiaries (but excluding any transaction subject to “—*Certain Covenants—Merger and Consolidation—The Issuer*”) that is permitted by the indenture (with respect to the Lien on such Collateral) or (b) the Issuer or any Restricted Subsidiary consistent with the Intercreditor Agreement;
- (4) as described under “—*Amendments and Waivers;*” and
- (5) as otherwise provided in the Intercreditor Agreement.

Each of these releases shall be effected by the Security Agent and the Trustee without the consent of the Holders.

The Issuer may also, among other things, without any release or consent by the Trustee or the Security Agent, conduct ordinary course activities with respect to Collateral, including, without limitation, (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien under the Security Documents which has become worn out, defective or obsolete or not used or useful in the business; (ii) selling, transferring or otherwise disposing of current assets in the ordinary course of business; and (iii) any other action permitted by the Security Documents or the Intercreditor Agreement.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

In connection with the Incurrence of any Indebtedness by the Issuer or any of its Restricted Subsidiaries that is permitted to share the Collateral, the Trustee and the Security Agent shall, at the request of the Issuer, enter

into with the Issuer, the relevant Restricted Subsidiaries and the holders of such Indebtedness (or their duly authorized representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an “Additional Intercreditor Agreement”), on substantially the same terms as the Intercreditor Agreement (or terms that are not materially less favorable to the Holders and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided*, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or adversely affect the personal rights, duties, liabilities, indemnification or immunities of the Trustee or the Security Agent under the indenture or the Intercreditor Agreement. In connection with the foregoing, the Issuer shall furnish to the Trustee such documentation in relation thereto as it may reasonably require. As used herein, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

In relation to the Intercreditor Agreement, the Trustee shall consent on behalf of the holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the covenant described herein under “—*Certain Covenants—Limitation on Restricted Payments.*”

The indenture will also provide that, at the written direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such Intercreditor Agreement that may be Incurred by the Issuer or its Restricted Subsidiaries that is subject to any such Intercreditor Agreement (provided that such Indebtedness is Incurred in compliance with the indenture), (3) add Guarantors or other Restricted Subsidiaries to the Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes or to implement any Permitted Collateral Liens or (6) make any other change to any such agreement that does not adversely affect the Holders of Notes in any material respect. The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under “—*Amendments and Waivers*” or as permitted by the terms of such Intercreditor Agreement, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the indenture or any Intercreditor Agreement.

The indenture will also provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorized the Trustee and the Security Agent to enter into the Intercreditor Agreement and any Additional Intercreditor Agreement on each Holder’s behalf.

A copy of the Intercreditor Agreement or an Additional Intercreditor Agreement shall be made available to the Holders upon request and will be made available for inspection during normal business hours on any Business Day upon prior written request at the office of the Issuer and, for so long as any Notes are admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange, at the offices of the Paying Agent in Luxembourg.

Optional Redemption

Except as set forth herein and under “—*Redemption for Taxation Reasons*” and “—*Escrow of Proceeds; Special Mandatory Redemption,*” the Notes are not redeemable at the option of the Issuer.

At any time prior to February 15, 2016, the Issuer may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the redemption date.

At any time and from time to time on or after February 15, 2016, the Issuer may redeem the Notes in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date:

Twelve month period commencing February 15 in	Percentage
2016	104.125%
2017	102.063%
2018 and thereafter	100.000%

At any time and from time to time prior to February 15, 2015, the Issuer may redeem Notes with the net cash proceeds received by the Issuer from any Equity Offering at a redemption price equal to 108.25% plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Notes (including Additional Notes), provided that:

- (1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering; and
- (2) not less than 60% of the original principal amount of the Notes being redeemed (including the principal amount of any Additional Notes) remain outstanding immediately thereafter.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof.

At any time on or after the 12-month anniversary of the Issue Date but on or prior to the 36-month anniversary of the Issue Date, the Issuer may, at its option, following completion of a Sunrise Exchange Transaction, redeem all, but not less than all, of the Notes issued under the indenture upon not less than 30 nor more than 60 days' notice (which notice of redemption shall be given no later than 10 business days following the completion of such Sunrise Exchange Transaction), at a redemption price (expressed as a percentage of the principal amount thereof) of:

- (1) 101% (if such redemption is on or before the 24-month anniversary of the Issue Date); or
- (2) 102% (if such redemption is after the 24-month anniversary of the Issue Date),

in each case, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

If the Issuer effects an optional redemption of the Notes, it will, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Sinking Fund

The Issuer will not be required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee or the Registrar, as applicable, will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Trustee or the Registrar, as applicable, by the Issuer, and in compliance with the requirements of Euroclear or Clearstream, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear or Clearstream or Euroclear or Clearstream prescribe no method of selection, on a *pro rata* basis or by use of a pool factor; *provided, however*, that no Note of €100,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 will be redeemed. Neither the Trustee nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, any such notice to the Holders of the relevant Notes shall to the extent and in the manner permitted by such rules be posted on the official website of the Luxembourg Stock Exchange (www.bourse.lu) and in addition to such release, not less than 10 days nor more than 60 days prior to the redemption date, the Issuer will mail, or at the expense of the Issuer, cause to be mailed, such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may also be posted on the website of the Luxembourg Stock Exchange (www.bourse.lu), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof 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. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Redemption for Taxation Reasons

The Issuer or Successor Company, as defined below, may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days notice to the Holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a “Tax Redemption Date”) (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (see “—*Withholding Taxes*”), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer, Successor Company or Guarantor determine in good faith that, as a result of:

- (1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or
- (2) any change in, or amendment to, or the introduction of, an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a “Change in Tax Law”),

the Issuer, Successor Company or Guarantor are, or on the next interest payment date in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of this Prospectus, such Change in Tax Law must become effective on or after the date of this Prospectus. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of this Prospectus, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Company. Notice of redemption for taxation reasons will be published in accordance with the procedures described under “—*Selection and Notice*.” Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer or Successor Company will deliver to the Trustee (a) an Officer’s Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer, Successor Company or Guarantor has or have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer’s Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing will apply *mutatis mutandis* to any jurisdiction in which any successor to the Issuer is incorporated or organized or any political subdivision or taxing authority or agency thereof or therein.

Withholding Taxes

All payments made by the Issuer, a Successor Company or Guarantor (a “Payor”) on the Notes or the Guarantees, as defined below, will be made free and clear of and without withholding or deduction for, or on account of, any 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) Luxembourg or any political subdivision or Governmental Authority thereof or therein having power to tax;
- (2) any jurisdiction from or through which payment on any such Note or Guarantee is made by the Issuer, Successor Company, Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or
- (3) any other jurisdiction in which the Payor is incorporated or organized, resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “Relevant Taxing Jurisdiction”),

will at any time be required from any payments made by a Payor with respect to any Note or Guarantee, including payments of principal, redemption price, premium, if any, or interest, the Payor will pay (together with such payments) such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will equal the amounts which would have been received in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable for or on account of:

- (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment in respect thereof;
- (2) any Taxes that are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Taxes;
- (3) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest, if any, on the Notes;
- (4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;
- (5) any Taxes that are required to be deducted or withheld on a payment to an individual and that are required to be made pursuant to Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directives or pursuant to the Luxembourg law of December 23, 2005 introducing a withholding tax on certain savings income paid to Luxembourg;
- (6) any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another paying agent; or
- (7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is permitted or required for payment) within 15 days after the relevant payment was first made available for payment to the Holder or (y) where, had the beneficial owner of the Note been the Holder, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

In addition, no Additional Amounts shall be paid with respect to any payment to any Holder who is a fiduciary or a partnership or other than the sole beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Issuer and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Luxembourg Paying Agent if the Notes are then admitted for trading on the Euro MTF market.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee will be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in either the indenture, the Guarantees or this "*Description of the Senior Notes*" there are mentioned, in any context:

- (1) the payment of principal;
- (2) purchase prices in connection with a purchase of Notes;
- (3) interest; or
- (4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary taxes, or any other property or similar taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, the indenture, the Security Documents or any other document or instrument in relation thereto (other than a transfer of the Notes) excluding any such taxes, charges or levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the Holders for any such taxes paid by such Holders. The foregoing obligations of this paragraph will survive any termination, defeasance or discharge of the indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to the Issuer is organized or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Issuer to repurchase all or part (equal to €100,000 aggregate principal amount and integral multiples of €1,000 in excess thereof) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obliged to repurchase Notes as described under this "*Change of Control*" section in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "*Optional Redemption*" or all conditions to such redemption have been satisfied or waived.

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, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the “Change of Control Offer”) to each Holder of any such Notes, with a copy to the Trustee:

- (1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase such Holder’s Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the “Change of Control Payment”);
- (2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the “Change of Control Payment Date”);
- (3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;
- (4) describing the procedures determined by the Issuer, consistent with the indenture, that a Holder must follow in order to have its Notes repurchased; and
- (5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

- (1) accept for payment all 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 so tendered;
- (3) deliver or cause to be delivered to the Trustee an Officer’s Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control Offer;
- (4) in the case of Global Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and
- (5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the relevant Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Note equal in aggregate principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in an aggregate principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof.

If and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices relating to the Change of Control Offer as soon as reasonably practicable after the Change of Control Payment Date in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notices on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

The Change of Control provisions described above 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 does not contain provisions that permit the Holders 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’s 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 Issuer 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 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 validly tendered and not withdrawn under such Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations, or require a repurchase of the Notes, under the Change of Control provisions of the indenture by virtue of the conflict.

Under the Senior Facilities Agreement, the occurrence of a change of control would require the repayment of such debt. Future debt of the Issuer or its Subsidiaries may prohibit the Issuer from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or requires repurchase upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer.

Finally, the Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by 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 Related to Our Structure—We may not have the ability to raise the funds necessary to finance an offer to repurchase the Senior Secured Notes and the Senior Notes upon the occurrence of certain events constituting a change of control as required by each Indenture and the change of control provision contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events."*

Holder of the Notes may not be entitled to require the Issuer to purchase their Notes in certain circumstances involving a significant change in the composition of the Issuer's board of directors, including in connection with a proxy contest, where the Issuer's board of directors initially publicly opposes the election of a dissident slate of directors, but subsequently approves such directors for the purposes of the indenture governing the Notes. This may result in a change in the composition of the board of directors that, but for such subsequent approval, would have otherwise constituted a Change of Control requiring a repurchase offer under the terms of the indenture governing the Notes.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is limited case law interpreting the phrase "substantially all", there is no precise established definition of the phrase "substantially all" 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 property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above. In addition, you should note that case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, the Issuer may nevertheless avoid triggering a change of control under a clause similar to clause (2) of the definition of "Change of Control," if the outgoing directors were to approve the new directors for the purpose of such change of control clause.

The provisions of 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 written consent of Holders of a majority in outstanding aggregate principal amount of the Notes under the indenture.

Certain Covenants

Limitation on Indebtedness

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Issuer and any of the Restricted Subsidiaries may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Consolidated Leverage Ratio for the Issuer and its Restricted Subsidiaries is less than 4.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

- (1) Indebtedness Incurred pursuant to any Credit Facility (including letters of credit or bankers' acceptances issued or created under any Credit Facility), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) CHF 700 million, plus (ii) 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 (iii) the aggregate amount of all Net Available Cash from Asset Dispositions since the Issue Date applied by the Issuer or any Restricted Subsidiary pursuant to the covenant described under “—*Limitation on Sales of Assets and Subsidiary Stock*” to repay any Indebtedness under any Credit Facility incurred pursuant to this clause (1) (and to permanently reduce commitments thereunder);

- (2)
 - (a) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary; or
 - (b) without limiting the covenant described under “—*Limitation on Liens*,” Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the indenture;
- (3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary; *provided, however*, that:
 - (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer; and
 - (b) any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary of the Issuer,

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be;
- (4) Indebtedness represented by (a) the Notes (other than any Additional Notes), (b) any Indebtedness (other than Indebtedness described in clauses (1) and (3) of this paragraph) outstanding on the Issue Date, including the loans of the proceeds of and the guarantees of and security granted with respect to the Senior Secured Notes, (c) any Indebtedness of the Orange Group outstanding on the Completion Date and (d) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant and (e) Management Advances;
- (5) Indebtedness of any Person (i) Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or another Restricted Subsidiary of the Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (ii) Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary; *provided, however*, with respect to each of clause (5)(i) and (5)(ii), that at the time of such acquisition or other transaction (x) the Issuer would have been able to Incur CHF 1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Consolidated Leverage Ratio would not be greater than it was immediately prior to giving effect to such acquisition or other transaction;
- (6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for *bona fide* hedging purposes of the Issuer or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or Senior Management of the Issuer);
- (7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of (A) CHF 50 million and (B) 2.9% of Total Assets;
- (8) Indebtedness in respect of (a) workers’ compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in

the ordinary course of business or in respect of any governmental requirement, including in relation to a governmental requirement to provide a guarantee or bond for any spectrum acquisition, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement, including in relation to a governmental requirement to provide a letter of credit, guarantee or similar obligation for any spectrum acquisition; *provided, however*, that upon the drawing of such letters of credit or similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

- (9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs 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 Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Issuer 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 Issuer and its Restricted Subsidiaries in connection with such disposition;
- (10)
 - (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within five Business Days of Incurrence;
 - (b) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;
 - (c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and
 - (d) Indebtedness incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis;
- (11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the aggregate principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of CHF 60 million and 3.5% of Total Assets;
- (12) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Issuer, in each case, subsequent to the Issue Date; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Issuer and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" in reliance thereon;

- (13) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing;
- (14) Indebtedness under daylight borrowing facilities incurred in connection with the Transactions or any refinancing of Indebtedness (including by way of set-off or exchange) so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness is Incurred; and
- (15) Indebtedness consisting of local lines of credit or working capital facilities not exceeding CHF 25 million outstanding at one time.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;
- (2) all Indebtedness outstanding on the Completion Date under the Senior Facilities Agreement shall be deemed initially Incurred on the Completion Date under clause (1) of the second paragraph of the description of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of the description of this covenant, and any Indebtedness Incurred under clause (1) of the second paragraph of the description of this covenant may not be reclassified pursuant to clause (1) of this paragraph;
- (3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11) or (12) of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;
- (5) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and
- (7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, including a change of IFRS to U.S. GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this “*Limitation on Indebtedness.*” The amount of any Indebtedness outstanding as of any date shall be calculated as specified under the definition of “*Indebtedness.*”

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Issuer as of such date.

For purposes of determining compliance with any CHF-denominated restriction on the Incurrence of Indebtedness, the CHF Equivalent of the aggregate principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Issuer, first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than CHF, and such refinancing would cause the applicable CHF-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such CHF-denominated restriction shall be deemed not to have been exceeded so long as the aggregate principal amount of such Refinancing Indebtedness does not exceed the

aggregate principal amount of such Indebtedness being refinanced; (b) the CHF Equivalent of the aggregate 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; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in CHF, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the CHF Equivalent of such amount plus the CHF Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any distribution on or in respect of the Issuer's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) except:
 - (a) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Issuer or in Subordinated Shareholder Funding;
 - (b) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value); and
 - (c) dividends or distributions payable to any Parent in respect of Indebtedness of such Parent which is guaranteed by the Issuer or any Restricted Subsidiary;
- (2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary of the Issuer (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));
- (3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*"); or
- (4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding; or
- (5) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a "Restricted Payment"), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

- (a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);
- (b) the Issuer is not able to Incur an additional CHF 1.00 of Indebtedness pursuant to the first paragraph under the "*—Limitation on Indebtedness*" covenant after giving effect, on a pro forma basis, to such Restricted Payment; or

- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (6), (10), (11) (12) and (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):
- (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Issuer are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);
 - (ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph and (z) Excluded Contributions);
 - (iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary upon such conversion or exchange);
 - (iv) the amount equal to the net reduction in Restricted Investments made by the Issuer or any of its Restricted Subsidiaries resulting from:
 - (A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Issuer or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Issuer or any Restricted Subsidiary; or
 - (B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Issuer or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c); *provided, however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included under this clause (iv); and
 - (v) the amount of the cash and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Issuer or any of its Restricted Subsidiaries in connection with:
 - (A) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Issuer; and

- (B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate to the Issuer or a Restricted Subsidiary;

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included under this clause (v); *provided further, however*, that such amount shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c). Upon a Specified Change of Control Event, all amounts calculated pursuant to this clause (c) shall be reset to zero and all references to Issue Date in this clause (c) shall thereafter refer to the date of such Specified Change of Control Event.

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by the Board of Directors.

The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

- (1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Issuer; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;
- (2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;
- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above, and that in each case, constitutes Refinancing Indebtedness;
- (4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:
 - (a) (i) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*" below, but only if the Issuer shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;
 - (b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Issuer shall have first complied with the terms described under "*—Change of Control*" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or
 - (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such

acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

- (5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;
- (6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (1) CHF 7.5 million plus (2) CHF 2.5 million multiplied by the number of calendar years that have commenced since the Issue Date plus (3) the Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant;
- (7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under “—*Limitation on Indebtedness*” above;
- (8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;
- (9) dividends, loans, advances or distributions to any Parent or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):
 - (a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or
 - (b) amounts constituting or to be used for purposes of making payments (i) of fees and expenses Incurred in connection with the Transactions or disclosed in the Prospectus or (ii) to the extent specified in clauses (2), (3), (5), (7), (11) and (12) of the second paragraph under “—*Limitation on Affiliate Transactions*,”
- (10) so long as no Default or Event of Default has occurred and is continuing (or would result from), the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Issuer or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Issuer or loaned as Subordinated Shareholder Funding to the Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 2.75 to 1.00 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.125 to 1.00;
- (11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed CHF 60 million or, if greater, 3.5% of Total Assets;
- (12) payments by the Issuer, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Issuer or any Parent in lieu of the issuance of fractional shares of such

Capital Stock, *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);

- (13) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this clause (13);
- (14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Issue Date; *provided, however*, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate, the issuance of Designated Preference Shares) of the Issuer or loaned as Subordinated Shareholder Funding to the Issuer, from the issuance or sale of such Designated Preference Shares;
- (15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries;
- (16) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing; and
- (17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any dividend, distribution, loan or other payment to any Parent; *provided* that the Consolidated Leverage Ratio on a pro forma basis after giving effect to any such dividend, distribution, loan or other payment does not exceed 2.0 to 1.0.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Issuer acting in good faith.

Limitation on Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens) upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Issuer), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the “Initial Lien”), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the indenture (or a Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under “—*Security—Release of Liens.*”

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer;
- (B) make any loans or advances to the Issuer; or
- (C) sell, lease or transfer any of its property or assets to the Issuer,

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 requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

- (1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Senior Finance Documents) or (b) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date, including the indenture governing the Senior Secured Notes;
- (2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Company;
- (3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Issuer);
- (4) any encumbrance or restriction:
 - (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;
 - (b) contained in mortgages, pledges, charges or other security agreements permitted under the indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or
 - (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;
- (5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;
- (6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;
- (7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;
- (8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

- (9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;
- (10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;
- (11) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—*Limitation on Indebtedness*” if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Senior Facilities Agreement and the Intercreditor Agreement, together with the security documents associated therewith as in effect on the Completion Date or (ii) in comparable financings (as determined in good faith by the Issuer) or where the Issuer determines when such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer’s ability to make principal or interest payments on the Notes;
- (12) any encumbrance or restriction existing by reason of any lien permitted under “—*Limitation on Liens*”; or
- (13) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing.

Limitation on Sales of Assets and Subsidiary Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

- (1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Issuer, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);
- (2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and
- (3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Issuer or such Restricted Subsidiary, as the case may be:
 - (a) to the extent the Issuer or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Senior Indebtedness of the Senior Secured Notes Issuer or of any Restricted Subsidiaries or any Indebtedness of a non-Guarantor Restricted Subsidiary of the Senior Secured Notes Issuer (in each case, other than Indebtedness owed to the Issuer or any Restricted Subsidiary) (or any Refinancing Indebtedness in respect thereof) within 395 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided, however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of any revolving Indebtedness) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that the Issuer shall redeem, repay or repurchase Pari Passu Indebtedness that is Public Debt pursuant to this clause (ii) only if the Issuer makes (at such time or subsequently in compliance with this covenant) an offer to the Holders of the Notes to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes at least equal to the

proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or

- (b) to the extent the Issuer or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Issuer or another Restricted Subsidiary) within 395 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided, however*, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Issuer that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 395th day,

provided that, pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in the preceding paragraph will be deemed to constitute “Excess Proceeds” under the indenture. On the 396th day after an Asset Disposition, or at such earlier date that the Issuer elects, if the aggregate amount of Excess Proceeds under the indenture exceeds CHF 25 million, the Issuer will be required to make an offer (“Asset Disposition Offer”) to all Holders of Notes issued under the indenture and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the indenture or the agreements governing such Pari Passu Indebtedness, as applicable, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in CHF, including the Notes, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their CHF Equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuer upon converting such portion into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the “Asset Disposition Offer Period”). No later than five Business Days after the termination of the Asset Disposition Offer Period (the “Asset Disposition Purchase Date”), the Issuer will purchase the aggregate principal amount of Notes and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this covenant (the “Asset Disposition Offer Amount”) or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn in minimum denominations of €100,000 and in integral multiples of €1,000 in excess

thereof. The Issuer will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Issuer or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note (or amend the Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Issuer, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in an aggregate principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in an aggregate principal amount with a minimum denomination of €100,000. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Issuer to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness of the Issuer or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;
- (2) securities, notes or other obligations received by the Issuer or any Restricted Subsidiary of the Issuer from the transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;
- (3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Issuer and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;
- (4) consideration consisting of Indebtedness of the Issuer (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Issuer or any Restricted Subsidiary; and
- (5) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of CHF 25 million and 1.45% of Total Assets (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).

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to the indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the indenture by virtue of any conflict.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (an "Affiliate Transaction") involving aggregate value in excess of CHF 10 million unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and
- (2) in the event such Affiliate Transaction involves an aggregate value in excess of CHF 25 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (2) of this paragraph if such Affiliate Transaction is approved by a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this covenant if the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted

Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's length basis.

The provisions of the preceding paragraph will not apply to:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under “—*Limitation on Restricted Payments*,” any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the fourth paragraph of the covenant described under “—*Limitation on Restricted Payments*”) or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2) and (11) of the definition thereof);
- (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business;
- (3) any Management Advances and any waiver or transaction with respect thereto;
- (4) any transaction between or among the Issuer and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;
- (5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer, any Restricted Subsidiary of the Issuer or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);
- (6) the Transactions and the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;
- (7) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;
- (8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the Senior Management of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (9) any transaction in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;
- (10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the indenture;

- (11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual customary management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed CHF 4 million per year and (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (b) are approved by a majority of the Board of Directors in good faith;
- (12) payment 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 Issuer and its Subsidiaries; and
- (13) any transaction effected as part of a Qualified Receivables Financing.

Limitation on Layering

The Issuer will not permit any Guarantor to, and no Guarantor shall, Incur any Indebtedness that is or purports to be by its terms (or by the terms of any agreement governing such Indebtedness) to be subordinated in right of payment to any Senior Indebtedness of such Guarantor unless such Indebtedness is *pari passu* with the Guarantee of such Guarantor or is also by its terms (or by the terms of any agreement governing such Indebtedness) made subordinated in right of payment to the Guarantee of such Guarantor; *provided* that the foregoing limitation shall not apply to distinctions between categories of Senior Indebtedness that exist by reason of any Liens or guarantees arising or created in respect of some but not all such Senior Indebtedness; *provided, further*, that Indebtedness under a Credit Facility that is Senior Indebtedness of a Guarantor may provide for an ordering of payments among the tranches of such Credit Facility.

Reports

For so long as any Notes are outstanding, the Issuer will provide to the Trustee the following reports:

- (1) within 120 days after the end of the Issuer's fiscal year beginning with the first fiscal year ending after the Issue Date, annual reports containing, to the extent applicable, the following information:
 - (a) audited consolidated balance sheets of the Issuer or its predecessor as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer or its predecessor for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements;
 - (b) unaudited pro forma income statement information and balance sheet information of the Issuer (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year;
 - (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Issuer, and a discussion of material commitments and contingencies and critical accounting policies, with a similar scope to that included in this prospectus;
 - (d) description of the business, management and shareholders of the Issuer, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and
 - (e) a description of material risk factors and material recent developments;
- (2) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Issuer beginning with the quarter ending March 31, 2012, all quarterly reports of the Issuer 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 most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure;
 - (b) unaudited pro forma income statement information and balance sheet information of the Issuer (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter;
 - (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Issuer, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and
 - (d) material recent developments; and

- (3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Issuer or change in auditors of the Issuer or any other material event that the Issuer or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement and pro forma financial information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, (x) in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods and (y) to the extent comparable prior period financial information of the Issuer does not exist, the comparable prior period financial information of Orange Group may be provided in lieu thereof. Except as provided for above, no report need include separate financial statements for any Subsidiaries of the Issuer. The filing of an Annual Report on Form 20-F within the time period specified in (1) will satisfy such provision.

At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Issuer, then the annual and quarterly financial information required by clauses (1) and (2) of the first paragraph of this covenant shall include either (i) 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 Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Issuer and its Subsidiaries, which reconciliation shall include the following items: revenues, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports specified in clauses (1), (2) and (3) of the first paragraph of this covenant, the Issuer shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Issuer and its Subsidiaries or (ii) otherwise to provide substantially comparable availability of such reports (as determined by the Issuer in good faith) or (b) to the extent the Issuer determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon request, prospective purchasers of the Notes. The Issuer will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, at the offices of the Paying Agent in Luxembourg or, to the extent and in the manner permitted by such rules, post such reports on the official website of the Luxembourg Stock Exchange.

In addition, so long as the Notes remain outstanding and during any period during which the Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Merger and Consolidation

The Issuer

The Issuer will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

- (1) the resulting, surviving or transferee Person (the "Successor Company") will be a Person organized and existing under the laws of any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Issuer) will expressly assume (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the indenture and (b) all obligations of the Issuer under the Security Documents (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement);
- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

- (3) immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional CHF 1.00 of Indebtedness pursuant to the first paragraph of the covenant described under “—*Limitation on Indebtedness*” or (b) the Consolidated Leverage Ratio would not be greater than it was immediately prior to giving effect to such transaction; and
- (4) the Issuer shall have delivered to the Trustee an Officer’s Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee), *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 (1) and (2) above.

Any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under “—*Limitation on Indebtedness*.”

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under such indenture or the Notes.

Notwithstanding the preceding clauses (2), (3) and (4) and the provisions described below under “—*Guarantors*” (which do not apply to transactions referred to in this sentence) and, other than with respect to the second preceding paragraph, clause (4) of the first paragraph of this covenant, (a) any Restricted Subsidiary of the Issuer may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Issuer, (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary and (c) the Issuer and its Restricted Subsidiaries may undertake the Transactions. Notwithstanding the preceding clauses (2), (3) and (4) (which does not apply to the transactions referred to in this sentence), the Issuer may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Issuer, reincorporating the Issuer in another jurisdiction, or changing the legal form of the Issuer.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) will not apply to the creation of a new subsidiary of the Issuer that becomes a parent of one or more of the Issuer’s Subsidiaries.

Guarantors

No Guarantor may:

- (1) consolidate with or merge with or into any Person;
- (2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or
- (3) permit any Person to merge with or into such Guarantor,
 - unless
 - (A) the other Person is the Issuer or any Restricted Subsidiary that is Guarantor or becomes a Guarantor concurrently with the transaction); or
 - (B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Guarantee and the Security Documents (and, to the extent required by the Intercreditor Agreement, the Intercreditor Agreement); and

- (2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or
- (C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the indenture.

Notwithstanding the preceding clause B(2) and the provisions described above under “—*The Issuer*” (which does not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Guarantor, (b) any Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Guarantor and (c) the Guarantors may undertake the Transactions. Notwithstanding the preceding clause B(2) (which does not apply to the transactions referred to in this sentence), a Guarantor may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Guarantor reincorporating the Guarantor in another jurisdiction, or changing the legal form of the Guarantor.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a “Suspension Event”), then, beginning on that day and continuing until the Reversion Date, the provisions of the indenture summarized under the following captions will not apply to such Notes: “—*Limitation on Restricted Payments*,” “—*Limitation on Indebtedness*,” “—*Limitation on Restrictions on Distributions from Restricted Subsidiaries*,” “—*Limitation on Affiliate Transactions*,” “—*Limitation on Sales of Assets and Subsidiary Stock*,” “—*Additional Guarantees*,” “—*Lines of Business*,” and the provisions of clause (3) of the first paragraph of the covenant described under “—*Merger and Consolidation—The Issuer*,” and, in each case, any related default provision of such indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken during the continuance of the Suspension Event, and the “—*Limitation on Restricted Payments*” covenant will be interpreted as if it has been in effect since the date of such indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Issuer’s option, as having been Incurred pursuant to the first paragraph of the covenant described under “—*Limitation on Indebtedness*” or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under the first two paragraphs of the covenant described under “—*Limitation on Indebtedness*,” such Indebtedness will be deemed to have been outstanding on the Completion Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*.”

Additional Guarantees

The Issuer will not cause or permit any of its Restricted Subsidiaries that are not Guarantors, directly or indirectly, to Guarantee any Indebtedness under the Senior Facilities Agreement (or other Indebtedness that is Incurred under clause (1) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”) or Public Debt and any refinancing thereof in whole or in part unless such Restricted Subsidiary becomes a Guarantor on the date on which such other Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the indenture pursuant to which such Restricted Subsidiary will provide a Guarantee, which Guarantee will be subordinated to such Restricted Subsidiary’s Guarantee of such other Indebtedness.

A Restricted Subsidiary that is not a Guarantor may become a Guarantor if it executes and delivers to the Trustee a supplemental indenture in the form attached to the indenture pursuant to which such Restricted Subsidiary will provide a Guarantee.

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, thin capitalization, distributable reserves, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes to the extent and for so long as the Incurrence of such Guarantee could reasonably be expected to give rise to or result in: (1) any violation of applicable law or regulation; (2) any liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (1) of this paragraph undertaken in connection with, such Guarantee, which in any case under any of clauses (1), (2) and (3) of this paragraph cannot be avoided through measures reasonably available to the Issuer or a Restricted Subsidiary or (4) an inconsistency with the Intercreditor Agreement.

Impairment of Security Interest

The Issuer shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence 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 Trustee and the Holders, and the Issuer shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, any Lien over any of the Collateral that is prohibited by the covenant entitled "Limitation on Liens;" *provided*, that the Issuer and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with the indenture, the Intercreditor Agreement or the applicable Security Documents.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Security Interest in accordance with the indenture and the Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Holders in any material respect; *provided, however*, that, except where permitted by the indenture or the Intercreditor Agreement, no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified 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 or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Issuer delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an independent financial advisor or appraiser or investment bank of international standing which confirms the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting Security Interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, or (3) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Security Agent and the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Security Document, so amended, extended, renewed, restated, supplemented, modified or released and replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject.

In the event that the Issuer and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Lines of Business

The Issuer will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Similar Business, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries, taken as a whole.

Events of Default

Each of the following is an Event of Default under the indenture:

- (1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;
- (2) default in the payment of the principal amount of or premium, if any, on any Note issued under the indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with any of the Issuer's obligations under the covenants described under "*—Change of Control*" above or under the covenants described under "*—Certain Covenants*" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above);
- (4) failure by the Issuer or any of its Restricted Subsidiaries to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with its other agreements contained in the indenture;
- (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 or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:
 - (a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("payment default"); or
 - (b) results in the acceleration of such Indebtedness prior to its maturity (the "cross acceleration provision");and, in each case, the aggregate principal amount of any such Indebtedness, together with the aggregate 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 CHF 20 million or more;
- (6) certain events of bankruptcy, insolvency or court protection of the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "bankruptcy provisions");
- (7) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of CHF 20 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "judgment default provision");
- (8) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement and the indenture) for any reason other than the satisfaction in full of all obligations under the indenture or the release or amendment of any such security interest in accordance with the terms of the indenture, the Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or the Issuer or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days (the "security default provisions"); and
- (9) any Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee or the indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Guarantee and any such Default continues for 10 days (the "guarantee provisions").

However, a default under clauses (3), (4), (5) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of 30% in aggregate principal amount of the outstanding Notes notify the Issuer of the default and, with respect to clauses (3), (4), (5) and (7) the Issuer does not cure such default within the time specified in clauses (3), (4), (5) or (7), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by notice to the Issuer or the Holders of at least 30% in aggregate principal amount of the outstanding Notes by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) under "Events of Default" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in aggregate principal amount of the outstanding Notes under the indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium or interest, or Additional Amounts, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the indenture relating to the duties of the Trustee, if 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 of the Holders unless such Holders have offered to the Trustee indemnity or security reasonably satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the indenture or the Notes unless:

- (1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;
- (3) such Holders have offered in writing the Trustee reasonable security and/or indemnity against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity; and
- (5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The indenture will provide that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the indenture, the Trustee will be entitled to indemnification reasonably satisfactory to it against all losses and expenses caused by taking or not taking such action.

The indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being

notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Notes provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Holders of the Notes may not enforce the indenture or the Notes except as provided in the indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

Amendments and Waivers

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes). However, without the consent of Holders holding not less than 90% (or, in the case of clause (8), 75%) of the then outstanding aggregate principal amount of Notes affected, an amendment or waiver may not, with respect to any such Notes held by a non-consenting Holder:

- (1) reduce the principal amount of such Notes whose Holders must consent to an amendment;
- (2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;
- (3) reduce the principal of or extend the Stated Maturity of any such Note;
- (4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "*—Optional Redemption*";
- (5) make any such Note payable in money other than that stated in such Note;
- (6) impair the right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;
- (7) make any change in the provision of the indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;
- (8) release (i) the security interest granted for the benefit of the Holders in the Collateral or (ii) any Guarantee, in each case, other than pursuant to the terms of the Security Document or the indenture, as applicable, except as permitted by the Intercreditor Agreement;
- (9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or
- (10) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents to:

- (1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision to this "*Description of the Senior Notes*," or reduce the minimum denomination of the Notes;

- (2) provide for the assumption by a successor Person of the obligations of the Issuer or any Guarantor under any Note Document;
- (3) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);
- (4) add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;
- (5) make any change that does not adversely affect the rights of any Holder in any material respect;
- (6) at the Issuer's election, comply with any requirement of the SEC in connection with the qualification of the indenture under the Trust Indenture Act, if such qualification is required;
- (7) make such provisions as necessary (as determined in good faith by the Issuer) for the issuance of Additional Notes;
- (8) to provide for any Restricted Subsidiary to provide a Guarantee in accordance with the Covenant described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Additional Guarantees*," to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the indenture, the Intercreditor Agreement or the Security Documents;
- (9) to evidence and provide for the acceptance and appointment under the indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or
- (10) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of parties to the Senior Facilities Agreement or the Senior Secured Notes, in any property which is required by the Senior Facilities Agreement or the Senior Secured Notes (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the indenture and the covenant described under "*—Certain Covenants—Impairment of Security Interest*" is complied with.

In formulating its decisions on such matters, the Trustee shall be entitled to rely on such evidence as it deems appropriate including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the indenture to approve the particular form of any proposed amendment of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Acts by Holders

In determining whether the Holders of the required aggregate principal amount of the Notes have concurred in any direction, waiver or consent, any Notes owned by the Issuer or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all its and each Guarantor's obligations under the Notes and the indenture ("legal defeasance") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registrations 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. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantor's obligations under the covenants described under "*Certain Covenants*" (other than with respect to clauses (1) and (2) of each of the covenants described under "*Certain Covenants—Merger and Consolidation—The Issuer*" and "*Certain Covenants—Merger and Consolidation—Guarantors*") and "*Change of Control*" and the default provisions relating to such covenants described under "*Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Issuer and its Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "*Events of Default*" above ("covenant defeasance").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of each of the covenants described under "*Certain Covenants—Merger and Consolidation—The Issuer*" and "*Certain Covenants—Merger and Consolidation—Guarantors*"), (4), (5), (6) (with respect only to the Issuer and Significant Subsidiaries), (7), (8) or (9) under "*Events of Default*" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or such entity designated by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity and must comply with certain other conditions, including delivery to the Trustee of:

- (1) an Opinion of Counsel in the United States to the effect that Holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law since the issuance of the Notes);
- (2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;
- (3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;
- (4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and
- (5) the Issuer delivers to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The indenture, and the rights of the Trustee and the Holders under the Security Document will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or such entity designated by the Trustee for this purpose), euros or euro-denominated European Government Obligations or a combination thereof, in an amount sufficient to pay and discharge the entire indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the indenture; (4) the Issuer has delivered irrevocable instructions under the indenture to apply the deposited money towards payment of the Notes at maturity or on the redemption date, as

the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" section of the indenture relating to the satisfaction and discharge of the indenture have been complied with, 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)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and Certain Agents

Deutsche Trustee Company Limited is to be appointed as Trustee under the indenture. The indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in such indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the indenture will not be construed as an obligation or duty.

The indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, (b) fails to meet certain minimum limits regarding the aggregate of its capital and surplus or (c) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a *bona fide* Holder for not less than 6 months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the indenture.

Notices

All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, notices with respect to the Notes will be published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (www.bourse.lu). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear and Clearstream, each of which will give such notices to the holders of Book-Entry Interests. Such notices may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes will be prescribed five years after the applicable due date for payment thereof. Claims against the Issuer for the payment of interest on the Notes will be prescribed three years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of CHF-Denominated Restrictions

The euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors under or in connection with the Notes and the relevant Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount, which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, any Guarantee or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any CHF-denominated restriction herein, the CHF Equivalent amount for purposes hereof that is denominated in a non-CHF currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-CHF amount is incurred or made, as the case may be.

Enforceability of Judgments

Since substantially all the assets of the Issuer are held by Subsidiaries located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes or the Guarantees, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the indenture and the Notes and the Guarantees, the Issuer and each Guarantor will in the indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The indenture and the Notes, including any Guarantees, and the rights and duties of the parties thereunder will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from

such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Issuer or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

“*Acquisition*” means the acquisition of Orange by the Issuer pursuant to the Acquisition Agreement.

“*Acquisition Agreement*” means the sale and purchase agreement, dated as of December 23, 2011, by and among the Senior Secured Notes Issuer, Atlas Services Belgium and France Telecom SA, as it may be amended from time to time.

“*Agreed Security Principles*” means the Agreed Security Principles as set out in an annex to the Senior Facilities Agreement as in effect on the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer.

“*Additional Assets*” means:

- (1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Issuer, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);
- (2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary of the Issuer; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Issuer.

“*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 the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*Applicable Premium*” means, with respect to any Note, the greater of:

- (A) 1% of the principal amount of such Note; and
- (B) on any redemption date, the excess (to the extent positive) of:
 - (a) the present value at such redemption date of (i) the redemption price of such Note at February 15, 2016 (such redemption price (expressed in percentage of principal amount) being set forth in the table under “—*Optional Redemption*” (excluding accrued but unpaid interest)), plus (ii) all required interest payments due on such Note to and including such date set forth in clause (i) (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over
 - (b) the outstanding principal amount of such Note,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

“*Asset Disposition*” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares), property or other assets (each referred to for the purposes of this definition as a “disposition”) by the Issuer or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

- (3) a disposition of inventory or other assets in the ordinary course of business;
- (4) a disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;
- (5) transactions permitted under “—*Certain Covenants—Merger and Consolidation—The Issuer*” or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;
- (7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Issuer) of less than CHF 40 million or, if greater, 2.3% of Total Assets;
- (8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under “—*Certain Covenants—Limitation on Restricted Payments*” and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;
- (9) dispositions in connection with Permitted Liens;
- (10) dispositions 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 licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;
- (12) foreclosure, condemnation or any similar action with respect to any property or other assets;
- (13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;
- (14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;
- (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 Issuer 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;
- (16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries (considered as a whole); *provided, further*, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17), does not exceed CHF 50 million or, if greater, 2.9% of Total Assets;
- (18) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the indenture; and
- (19) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or in the ordinary course of business;

“Associate” means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary of the Issuer.

“*Atlas Subordinated Shareholder Funding*” means the shareholder loans between Orange Network SA as borrower and Atlas Services Belgium, as lender, in an aggregate principal amount of CHF 917.0 million, comprising a loan of CHF 480.0 million, which is scheduled to mature in December 2017, and a loan of CHF 437.0 million, which is scheduled to mature in October 2018.

“*Board of Directors*” means (1) with respect to the Issuer or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. For the purposes of the definition of Change of Control only, Board of Directors of the Issuer shall mean the Issuer’s supervisory board or its managing board. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

“*Bund Rate*” means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (Bunds or Bundesanleihen) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the redemption date to February 15, 2016; *provided, however*, that if the period from the redemption date to February 15, 2016 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to February 15, 2016 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

“*Business Day*” means each day that is not a Saturday, Sunday or other day on which banking institutions in Zurich, Switzerland, Luxembourg, London, United Kingdom, or New York, New York, United States are authorized or required by law to close; *provided, however*, that for any payments to be made under the indenture, such day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (“TARGET”) payment system is open for the settlement of payments.

“*Capital Stock*” of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“*Capitalized Lease Obligations*” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“*Cash Equivalents*” means:

- (1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a Permissible Jurisdiction, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;
- (2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by any Lender or by any bank or trust company (a) whose commercial paper is rated at least “A-1” or the equivalent thereof by S&P or at least “P-1” or the equivalent thereof by Moody’s (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500 million;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

- (4) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by S&P or “P-2” or the equivalent thereof by Moody’s or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;
- (5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any Permissible Jurisdiction, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody’s or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;
- (6) Indebtedness or preferred stock issued by Persons with a rating of “BBB-” or higher from S&P or “Baa3” or higher from Moody’s (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;
- (7) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and
- (9) for purposes of clause (2) of the definition of “Asset Disposition,” the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date.

“*Change of Control*” means:

- (1) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer, provided that for the purposes of this clause, (x) no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the “beneficial owner” (as so defined) shall not be included in any Voting Stock of which any such person or group is the “beneficial owner” (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock;
- (2) following the Initial Public Offering of the Issuer or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Issuer or any Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of the Issuer or any Parent or whose nomination for election by shareholders of the Issuer or any Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Issuer or any Parent 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 directors (excluding any employee representatives, if any) on the Board of Directors of the Issuer or any Parent, then in office; or
- (3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders;

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

“*CHF Equivalent*” means, with respect to any monetary amount in a currency other than CHF, at any time of determination thereof by the Issuer or the Trustee, the amount of CHF obtained by converting such currency other than CHF involved in such computation into CHF at the spot rate for the purchase of CHF with the

applicable currency other than CHF as published in The Financial Times in the “Currency Rates” section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Issuer) on the date of such determination.

“*Clearstream*” means Clearstream Banking, a société anonyme as currently in effect or any successor securities clearing agency.

“*Code*” means the United States Internal Revenue Code of 1986, as amended.

“*Commodity Hedging Agreements*” means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

“*Consolidated EBITDA*” for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense and Receivables Fees;
- (2) Consolidated Income Taxes;
- (3) consolidated depreciation expense;
- (4) consolidated amortization or impairment expense;
- (5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including one-time 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 in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the indenture (in each case whether or not successful) in each case, as determined in good faith by an Officer of the Issuer;
- (6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;
- (7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under “—*Certain Covenants—Limitation of Affiliate Transactions*” and any brand or management fees or charges paid or to be paid to France Telecom and/or its Affiliates; and
- (8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Issuer as extraordinary, exceptional, unusual or nonrecurring items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

Notwithstanding the foregoing, the provision for taxes and the depreciation, amortization, non-cash items, charges and write-downs of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Net Income for the purposes of this definition.

“*Consolidated Income Taxes*” means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes) and franchise taxes of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

“*Consolidated Interest Expense*” means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Issuer and its Restricted Subsidiaries, whether paid or accrued, including any pension liability interest cost, plus or including (without duplication) any interest, costs and charges consisting of:

- (1) interest expense attributable to Capitalized Lease Obligations;
- (2) amortization of debt discount, debt issuance cost and premium;
- (3) non-cash interest expense;
- (4) commissions, discounts and other fees and charges owed with respect to financings not included in clause (2) above;

- (5) costs associated with Hedging Obligations;
- (6) dividends on other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a subsidiary of the Issuer;
- (7) the consolidated interest expense that was capitalized during such period; and
- (8) interest actually paid by the Issuer or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person.

“*Consolidated Leverage*” means the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in clause (c) of the penultimate paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*”).

“*Consolidated Leverage Ratio*” means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available; *provided, however*, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

- (1) since the beginning of such period the Issuer or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a “Sale”) or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; *provided* that if any such sale constitutes “discontinued operations” in accordance with IFRS, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;
- (2) since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “Purchase”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period;
- (3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Issuer or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Issuer or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period; and
- (4) since the beginning of such period, a transfer of shares of, or other transaction has occurred or is contractually committed with respect to, the Issuer or any Restricted Subsidiary, that constitutes an event that is contemplated by clause (i) of the definition of “Specified Change of Control Event” (any such transaction, a “Specified Change of Control Transaction”), and solely for the purposes of making the determination pursuant to clause (i) of “Specified Change of Control Event,” Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto (including any cost savings and synergies that can reasonably expected to be obtained from cooperation and other arrangements associated with the Specified Change of Control Transaction) as if such Specified Change of Control Transaction (including such cost savings and synergies associated with the Specified Change of Control Transaction) had occurred on the first day of such period; *provided* that any determination made pursuant to the definition of “Consolidated Leverage Ratio” shall also give effect to any payments required under the Acquisition Agreement with respect to such Specified Change of Control Transaction.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Issuer (including in respect of cost savings

and synergies) and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

“*Consolidated Net Income*” means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

- (1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer’s equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment or could have been distributed, as reasonably determined by an Officer of the Issuer (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);
- (2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” any net income (loss) of any Restricted Subsidiary (other than Guarantors) 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 Issuer or a Guarantor 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) restrictions specified in clause (11) (i) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*,” except that the Issuer’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 Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);
- (3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer 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 an Officer or the Board of Directors of the Issuer);
- (4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge (including for the avoidance of doubt, (i) any rebranding of the business (or any part thereof); (ii) any separation of the business from the seller and/or its Affiliates (including any working capital impact); (iii) any spectrum related fees payable on or prior to December 31, 2013; and/or (iv) any tax referable to any payments, dividends or other distributions made or declared intra-group) or any charges or reserves in respect of any restructuring, redundancy or severance expense or other costs related to the Transactions, in each case, as determined in good faith by the Issuer;
- (5) the cumulative effect of a change in accounting principles;
- (6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;
- (7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;
- (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 of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;
- (9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

- (10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;
- (11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenues in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Issuer and the Restricted Subsidiaries), as a result of any consummated acquisition or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);
- (12) any goodwill or other intangible asset impairment charge, amortization or write-off;
- (13) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and
- (14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

“*Consolidated Secured Leverage Ratio*” means the Consolidated Leverage Ratio, but calculated by excluding all Indebtedness other than Secured Indebtedness.

“*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 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.

“*Credit Facility*” means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Senior Facilities Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, 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 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 other banks or institutions and whether provided under the original Senior Facilities 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 Facility” shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers 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 Agreement*” means in respect of a Person any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

“*CVC*” means any funds or limited partnerships managed or advised by CVC Capital Partners SICAV—FIS S.A. or any of its Affiliates or direct or indirect Subsidiaries or any trust, fund, company or partnership owned, managed or advised by CVC Capital Partners SICAV—FIS S.A. or any of its Affiliates or direct or indirect Subsidiaries or any limited partner of any such trust, fund, company or partnership.

“*Default*” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“*Designated Non-Cash Consideration*” means the fair market value (as determined in good faith by the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Disposition 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, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*.”

“*Designated Preference Shares*” means, with respect to the Issuer or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as “Designated Preference Shares” pursuant to an Officer’s Certificate of the Issuer at or prior to the issuance thereof, 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 “—*Certain Covenants—Limitation on Restricted Payments*.”

“*Disinterested Director*” means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Issuer having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Issuer shall be deemed not to have such a financial interest by reason of such member’s holding Capital Stock of the Issuer or any Parent or any options, warrants or other rights in respect of such Capital Stock.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer or a Restricted Subsidiary); or
- (3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*.”

“*Equity Contribution*” means the contribution to the Issuer of shareholder funds on the Completion Date as part of the Transactions.

“*Equity Offering*” means (x) a sale of Capital Stock of the Issuer (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of, or as Subordinated Shareholder Funding to, the Issuer or any of its Restricted Subsidiaries.

“*Escrowed Proceeds*” means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Proceeds” shall include any interest earned on the amounts held in escrow.

“euro” means the official currency of the European Union and, to the extent such currency ceases to exist, an equivalent amount of Swiss francs as mandated by the Swiss Central Bank with respect to the Notes and an equivalent amount of Swiss francs as mandated by the Central Bank of Luxembourg with respect to the Profit Participating Loans.

“Euroclear” means Euroclear Bank S.A./N.V., or any successor securities clearing agency.

“European Government Obligations” means any security that is (1) a direct obligation of Belgium, the Netherlands, France, Germany or any Permissible Jurisdiction, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“European Union” means all members of the European Union as of January 1, 2004.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“Excluded Contribution” means Net Cash Proceeds or property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Issuer.

“fair market value” may be conclusively established by means of an Officer’s Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

“Governmental Authority” means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“Guarantor” means any Restricted Subsidiary that Guarantees the Notes.

“Hedging Obligations” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a “Hedging Agreement”).

“Holder” means each Person in whose name the Notes are registered on the Registrar’s books, which shall initially be the respective nominee of Clearstream and Euroclear.

“IFRS” means International Financial Reporting Standards (formerly International Accounting Standards) (“IFRS”) endorsed from time to time by the European Union or any variation thereof with which the Issuer or its Restricted Subsidiaries are, or may be, required to comply; *provided* that at any date after the Issue Date the Issuer may make an irrevocable election to establish that “IFRS” shall mean IFRS as in effect on a date that is on or prior to the date of such election.

“Incur” means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person

becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be “Incurred” at the time any funds are borrowed thereunder.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of indebtedness of such Person for borrowed money;
- (2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;
- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;
- (5) Capitalized Lease Obligations of such Person;
- (6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that 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 Issuer) and (b) the amount of such Indebtedness of such other Persons;
- (8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term “Indebtedness” shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date, any asset retirement obligations, any prepayments of deposits received from clients or customers in the ordinary course of business, or 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. For the avoidance of doubt and notwithstanding the above, the term “Indebtedness” excludes any accrued expenses, trade payables and amounts payable in respect of Operating IRUs.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

- (i) Contingent Obligations Incurred in the ordinary course of business and obligations under or in respect of Qualified Receivables Financings;
- (ii) in connection with the purchase by the Issuer 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; or

- (iii) for the avoidance of doubt, any 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.

"Independent Financial Advisor" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Issuer.

"Initial Investors" means Apax Partners LLP and any funds or partnerships managed or advised, directly or indirectly, by Apax Partners LLP or an Affiliate thereof, and, solely in their capacity as such, any limited partner of any such partnership or fund.

"Initial Public Offering" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent or any successor of the Issuer or any Parent (the "IPO Entity") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"Intercreditor Agreement" means the Intercreditor Agreement dated January 30, 2012, among, *inter alios*, the lenders and agent under the Senior Facilities Agreement as well as certain hedging counterparties, as amended on February 3, 2012, and as further amended from time to time and to which the Trustee will accede on the Issue Date.

"Interest Rate Agreement" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"Investment" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of "*Certain Covenants—Limitation on Restricted Payments:*"

- (1) "Investment" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Issuer at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Issuer in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"Investment Grade" means (i) BBB- or higher by S&P, (ii) Baa3 or higher by Moody's, or (iii) the equivalent of such ratings by S&P or Moody's, or of another Nationally Recognized Statistical Ratings Organization.

"Investment Grade Securities" means:

- (1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);
- (2) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction or Switzerland, Norway or any agency or instrumentality thereof (other than Cash Equivalents);
- (3) debt securities or debt instruments with a rating of "A-" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries; and
- (4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"Investment Grade Status" shall occur when the Notes receive both of the following:

- (1) a rating of "BBB-" or higher from S&P; and
- (2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"IPO 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 at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"Issue Date" means February 10, 2012.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Management Advances" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Issuer or any Restricted Subsidiary:

- (1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors;
- (2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or
- (3) not exceeding CHF 6.0 million in the aggregate outstanding at any time.

"Management Investors" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Issuer or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer, any Restricted Subsidiary or any Parent.

"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. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*Nationally Recognized Statistical Rating Organization*” means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by its terms or by applicable law are required to be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Issuer or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

“*Net Cash Proceeds*,” with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“*Note Documents*” means the Notes (including Additional Notes), the indenture and the Security Documents.

“*Officer*” means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of the indenture by the Board of Directors of such Person.

“*Officer’s Certificate*” means, with respect to any Person, a certificate signed by one Officer of such Person.

“*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 thereof for a period constituting all or substantially all of the expected useful life thereof.

“*Opinion of Counsel*” means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

“*Orange*” means Orange Communications SA.

“*Orange Group*” means Orange together with its subsidiaries.

“*Parent*” means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

“*Parent Expenses*” means:

- (1) costs (including all professional fees and expenses) Incurred by any Parent 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 Issuer or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

- (2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Issuer and its Subsidiaries;
- (3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;
- (4) fees and expenses payable by any Parent in connection with the Transactions;
- (5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Issuer or any of its Restricted Subsidiaries or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions or the ownership, directly or indirectly, by any Parent;
- (6) other fees, expenses and costs relating directly or indirectly to activities of the Issuer and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed CHF 5 million in any fiscal year; and
- (7) expenses Incurred by any Parent in connection with any Public Offering or other sale of Capital Stock or Indebtedness:
 - (x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary;
 - (y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or
 - (z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

“*Pari Passu Indebtedness*” means Indebtedness of the Issuer or any Guarantor if such Indebtedness or Guarantee ranks equally in right of payment to the Notes or the Notes Guarantees, as the case may be.

“*Paying Agent*” means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

“*Permissible Jurisdiction*” means any member state of the European Union (other than Greece, Ireland, Portugal and Italy).

“*Permitted Asset Swap*” means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Issuer or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*”

“*Permitted Collateral Liens*” means (x) Liens on the Collateral (i) arising by operation of law that are described in one or more of clauses (3), (4) and (9) of the definition of “Permitted Liens” and that, in each case, would not materially interfere with the ability of the Security Agent to enforce the Security Interest in the Collateral or (ii) that are Liens in Secured Accounts equally and ratably granted to cash management banks securing cash management obligations, (y) Liens on the Collateral to secure Indebtedness of the Issuer or a Restricted Subsidiary that is permitted to be Incurred under clauses (1), (2) (in the case of (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4)(a) and (c) (if the original Indebtedness was so secured), (5)(i) (covering only the shares and assets of the acquired Person the Indebtedness of which is so secured), (5)(ii), (6), (11) or (12) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” and any Refinancing Indebtedness in respect of such Indebtedness; *provided, however*, that such Lien will not give an entitlement to be repaid with proceeds of enforcement of the Collateral in a manner which is inconsistent with the Intercreditor Agreement and any Additional Intercreditor Agreement and (z) Liens on the Collateral securing

Indebtedness incurred under the first paragraph of “—*Certain Covenants—Limitation on Indebtedness*;” provided that, in the case of this clause (z), after giving effect to such incurrence on that date, the Consolidated Secured Leverage Ratio is less than 3.0 to 1.0; *provided*, further, however, that in the case of (y) and (z), such Lien (or the right to receive proceeds pursuant to the Intercreditor Agreement) ranks (a) equal to all other Liens on such Collateral securing Senior Indebtedness of the Issuer (other than the Notes) or such Guarantor, as applicable, if such Indebtedness is Senior Indebtedness of the Issuer or such Guarantor, as applicable (except that Indebtedness under a Priority Revolving Facility and any Hedging Obligations may rank in priority to other Senior Indebtedness with respect to the distribution of any proceeds received upon enforcement of such Lien) or (b) equal to or junior to the Liens securing the Notes.

“*Permitted Holders*” means, collectively, (1) the Initial Investors and any Affiliate thereof, (2) Senior Management (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Issuer, acting in such capacity and (4) for the avoidance of doubt, only pursuant to a transaction that is also a Specified Change of Control Event, (a) CVC and any funds or partnerships managed or advised by CVC or an Affiliate thereof, and, solely in their capacity as such, any limited partner of any such partnership or fund, (b) Sunrise (provided that there has been no change of control under the Sunrise Senior Facilities Agreement) and (c) any Affiliate of the foregoing. Any person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or (ii) a Change of Control which is also a Specified Change of Control Event, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“*Permitted Investment*” means (in each case, by the Issuer or any of its Restricted Subsidiaries):

- (1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;
- (2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;
- (3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) Management Advances;
- (7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition (but excluding a Permitted Asset Swap), in each case, that was made in compliance with “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*;”
- (9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date;
- (10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with “—*Certain Covenants—Limitation on Indebtedness*;”
- (11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed CHF 65 million; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*;” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “*Permitted Investments*” and not this clause;

- (12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of “*Permitted Liens*” or made in connection with Liens permitted under the covenant described under “—*Certain Covenants—Limitation on Liens*;”
- (13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock) or Capital Stock of any Parent as consideration;
- (14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Affiliate Transactions*” (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);
- (15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the indenture;
- (16) guarantees, keepwells and similar arrangements not prohibited by the covenant described under “—*Certain Covenants—Limitation on Indebtedness*;” and
- (17) Investments in the Notes.

“*Permitted Liens*” means, with respect to any Person:

- (1) Liens on assets or property of a Restricted Subsidiary securing any Senior Indebtedness of the Senior Secured Notes Issuer, any Indebtedness of a Restricted Subsidiary of the Senior Secured Notes Issuer, or a Guarantee of any such Indebtedness by the Issuer;
- (2) pledges, deposits or Liens under workmen’s compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;
- (3) Liens imposed by law, including carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s and repairmen’s or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;
- (4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;
- (5) Liens in favor of the Issuer of surety, performance or other bonds, guarantees or letters of credit or bankers’ acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business;
- (6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, 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, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and its Restricted Subsidiaries or to the ownership of its properties which 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 the Issuer and its Restricted Subsidiaries;
- (7) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Hedging Obligations permitted under the indenture;
- (8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;
- (9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

- (10) Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the indenture and (b) any such Lien may not extend to any assets or property of the Issuer or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;
- (11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository or financial institution;
- (12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;
- (13) Liens existing on the Issue Date, excluding Liens securing the Senior Facilities Agreement, the Senior Secured Notes and the Notes and, with respect to the assets of or capital stock of the Orange Group, Liens existing on the Completion Date;
- (14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary); *provided, however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided, further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;
- (15) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Indebtedness or other obligations of the Issuer or such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary;
- (16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;
- (17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;
- (18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary of the Issuer has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;
- (19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (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 on cash accounts securing Indebtedness incurred under clause (11) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” with local financial institutions;
- (22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence

of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

- (23) 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, or liens over cash accounts securing cash pooling arrangements;
- (24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;
- (25) Liens Incurred in the ordinary course of business with respect to obligations which do not exceed CHF 15 million at any one time outstanding;
- (26) Permitted Collateral Liens;
- (27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;
- (28) any security granted over the marketable securities portfolio described in clause (9) of the definition of “Cash Equivalents” in connection with the disposal thereof to a third party;
- (29) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing; and
- (30) Liens on Indebtedness permitted to be Incurred pursuant to clause (15) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness.*”

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

“*Preferred Stock*,” as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“*Priority Revolving Facility*” means any credit facility which is designated as a priority revolving facility pursuant to the Intercreditor Agreement.

“*Public Debt*” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

“*Public Market*” means any time after:

- (1) an Equity Offering has been consummated; and
- (2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of CHF 100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

“*Public Offering*” means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

“*Purchase Money Obligations*” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“*Qualified Receivables Financing*” means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value

(as determined in good faith by the Issuer), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

“Receivables Assets” means any assets that are or will be the subject of a Qualified Receivables Financing.

“Receivables 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 a Restricted Subsidiary in connection with, any Receivables Financing.

“Receivables Financing” means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables 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.

“Receivables Subsidiary” means a Wholly Owned Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any other Restricted Subsidiary of the Issuer, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any other Restricted Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;
- (2) with which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and
- (3) to which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

“*Refinance*” means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms “refinances,” “refinanced” and “refinancing” as used for any purpose in the indenture shall have a correlative meaning.

“*Refinancing Indebtedness*” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the indenture or Incurred in compliance with the indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

- (1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, the Notes;
- (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and
- (3) if the Indebtedness being refinanced is expressly subordinated to the Notes or the Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

“*Related Person*” with respect to any Permitted Holder means:

- (1) any controlling equityholder or Subsidiary of such Person; or
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or
- (3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or
- (4) in the case of the Initial Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

“*Related Taxes*” means

- (1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:
 - (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer’s Subsidiaries);
 - (b) issuing or holding Subordinated Shareholder Funding;
 - (c) being a holding company parent, directly or indirectly, of the Issuer or any of the Issuer’s Subsidiaries;

- (d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries; or
 - (e) having made any payment in respect to any of the items for which the Issuer is permitted to make payments to any Parent pursuant to "*Certain Covenants—Limitation on Restricted Payments*;" or
- (2) if and for so long as the Issuer is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Issuer and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Issuer and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"*Reversion Date*" means, after the Notes have achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission or any successor thereto.

"*Secured Indebtedness*" means any Indebtedness secured by a Lien on a basis *pari passu* with or senior to the security in favor of the Senior Secured Notes.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Security Documents*" means the Intercreditor Agreement and each collateral pledge agreement, security assignment agreement or other document under which collateral is pledged to secure the Notes.

"*Senior Facilities Agreement*" means the senior credit facility agreement dated January 30, 2012, among the Issuer, certain of the Issuer's Subsidiaries, as borrowers and guarantors, the senior lenders (as named therein), and UBS AG, London Branch, as facility agent and security agent, as amended on February 3, 2012, and as further amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

"*Senior Finance Documents*" means the Senior Facilities Agreement and such other documents identified as "Senior Finance Documents" pursuant to the Senior Facilities Agreement.

"*Senior Indebtedness*" means, whether outstanding on the Issue Date or thereafter Incurred, all amounts payable by, under or in respect of all other Indebtedness of the Issuer or any Guarantor, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer or such Guarantor at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided, however*, that Senior Indebtedness will not include:

- (1) any obligation of any Guarantor to the Issuer or any Restricted Subsidiary;
- (2) any liability for taxes owed or owing by the Issuer or any Restricted Subsidiary;
- (3) any Indebtedness, guarantee or obligation of any Guarantor that is expressly subordinate or junior in right of payment to any other Indebtedness, guarantee or obligation of such Guarantor;
- (4) any Indebtedness under the Notes or obligations that are similarly ranked pursuant to the Intercreditor Agreement; or
- (5) any Capital Stock.

"*Senior Management*" means the officers, directors, and other members of senior management of the Issuer or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer or any Parent and with an equity investment in excess of CHF 250,000.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

- (1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

- (2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or
- (3) the Issuer's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"Similar Business" means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or any Associates on the Issue Date, (b) the telecommunications business, including the distribution, sale and for provision of mobile voice and data, fixed-line voice and internet services, transit voice traffic services, and other services in relation thereto and (c) any businesses, services and activities engaged in by the Issuer or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"Specified Change of Control Event" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that (i) at the time any transfer of shares or other change of control transaction is contractually committed, in the case of the Permitted Holders described in clause (4)(a) and clause (4)(b) of the definition thereof, the Consolidated Leverage Ratio would have been less than 4.25 to 1.0 and (ii) in any other case, the Consolidated Leverage Ratio would have been less than 2.75 to 1.0, immediately prior to the occurrence of such event and immediately thereafter and giving pro forma effect thereto. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the indenture after the date of the completion of the Acquisition.

"Standard Securitization Undertakings" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"Subordinated Indebtedness" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or its Guarantees pursuant to a written agreement.

"Subordinated Shareholder Funding" means, collectively, any funds provided to the Issuer by a Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Parent or a Permitted Holder, 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 Funding; *provided, however*, that such Subordinated Shareholder Funding:

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition);
- (2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;
- (4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and
- (5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

“*Subsidiary*” means, with respect to any Person:

- (1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar 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) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or
- (2) any partnership, joint venture, limited liability company or similar entity of which:
 - (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or 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.

“*Successor Parent*” with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, “beneficially owned” (as defined below) by one or more Persons that “beneficially owned” (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, “beneficially own” has the meaning correlative to the term “beneficial owner,” as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

“*Sunrise*” means Sunrise Communications AG.

“*Sunrise Exchange Transaction*” means an exchange offer by Sunrise Senior Issuer pursuant to which one or more series of Sunrise Senior Qualified Notes are offered in exchange for all outstanding Notes issued under the indenture; *provided*, that (i) no Default or Event of Default has occurred and is continuing at the time any such exchange offer is made or would result therefrom, (ii) holders of a majority in aggregate principal amount of the outstanding Notes have elected to participate in such offer, (iii) for each €1,000 in principal amount of Notes tendered and accepted, each holder tendering such Notes will receive €1,000 in principal amount of Sunrise Senior Qualified Notes, (iv) the exchange offer complies with Rule 14e-1 under the Exchange Act and any other applicable securities law or regulation, (v) Sunrise Senior Issuer accepts for exchange all Notes tendered in such exchange offer and issues the relevant Sunrise Senior Qualified Notes in exchange therefor, (vi) subject to regulatory constraints, the exchange offer is open to all holders of the Notes on substantially similar terms, (vii) the exchange offer is not conditioned upon holders of the Notes consenting to any amendments to the terms of the Notes or the indenture and (viii) in connection therewith, the Company and its Restricted Subsidiaries will become direct or indirect Subsidiaries of Sunrise Senior Issuer.

“*Sunrise Senior Issuer*” means Sunrise Communications Holdings S.A., together with its successors.

“*Sunrise Senior Qualified Notes*” means senior notes issued by Sunrise Senior Issuer; *provided*, that (i) such senior notes will be guaranteed and secured to the same extent that other senior securities of Sunrise Senior Issuer existing on the date of the Sunrise Exchange Transaction are guaranteed or secured; *provided* that in any event such senior notes will be secured to the same extent as Sunrise Senior Issuer’s senior securities existing on the Issue Date, (ii) the Indebtedness incurred under such senior notes is permitted to be Incurred pursuant to the terms and conditions of any other Indebtedness of Sunrise Senior Issuer and its Subsidiaries outstanding upon consummation of the Sunrise Exchange Transaction, (iii) the terms and conditions of such senior notes (other than with respect to pricing and redemption) and the indenture governing such senior notes shall be substantially similar to, and in any event no less favorable to the holders of Notes than, the terms and conditions contained in the indentures governing the senior notes of Sunrise Issuer outstanding on the date of the Sunrise Exchange Transaction, (iv) the interest rate applicable to each series of such senior notes shall not be less than the interest rate applicable to the series of Notes for which they are exchanged, (v) all amounts due and owing on such senior notes will be payable in the same currency as the Notes for which they are exchanged, (vi) the redemption provisions of such senior notes will have at least the remaining call protection applicable to the Notes for which they are exchanged and (vii) the Stated Maturity of such senior notes will be no later than the Stated Maturity of the Notes.

“*Sunrise Senior Facilities Agreement*” means the senior credit facilities agreement dated September 17, 2010, among, *inter alios*, the Sunrise, BNP Paribas as agent and Deutsche Bank AG, London Branch as security

agent, as amended and restated on October 7, 2010 and as further amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

“*Taxes*” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

“*Tax Sharing Agreement*” means any tax sharing or profit and loss pooling or similar agreement with customary or arm’s-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the indenture.

“*Temporary Cash Investments*” means any of the following:

- (1) any investment in
 - (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any Permissible Jurisdiction, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or
 - (b) direct obligations of any country recognized by the United States of America rated at least “A” by S&P or “A-1” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers’ acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:
 - (a) any lender under the Senior Facilities Agreement;
 - (b) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above; or
 - (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least “A” by S&P or “A-2” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;
- (4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of “P-2” (or higher) according to Moody’s or “A-2” (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any Permissible Jurisdiction or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least “BBB” by S&P or “Baa3” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (6) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

- (7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least “A” by S&P or “A2” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;
- (8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and
- (9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

“*Total Assets*” means the consolidated total assets of the Issuer and its Restricted Subsidiaries in accordance with IFRS as shown on the most recent balance sheet of such Person.

“*Transactions*” means the transactions contemplated by the Acquisition Agreement, the Equity Contribution, the Profit Participating Loans, any bridge credit facility agreement to which the Issuer or the Senior Secured Notes Issuer is a party and any other issuance of intercompany debt, the issuance of the Notes and the Senior Secured Notes, the Security Documents and borrowings under the Senior Facilities Agreement as in effect on the Issue Date, the repayment or discharge of existing indebtedness of the Orange Group, the closing out or replacement of Hedging Obligations pursuant to the foregoing, and the payment or incurrence of any fees, expense or charges associated with any of the foregoing.

“*Trust Indenture Act*” means the Trust Indenture Act of 1939, as amended.

“*U.S. GAAP*” means generally accepted accounting principles in the United States of America as in effect from time to time.

“*Uniform Commercial Code*” means the New York Uniform Commercial Code.

“*Unrestricted Subsidiary*” means:

- (1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer in the manner provided below); and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein but not including the Issuer) to be an Unrestricted Subsidiary only if:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and
- (2) such designation and the Investment of the Issuer in such Subsidiary complies with “—*Certain Covenants—Limitation on Restricted Payments.*”

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer’s Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Issuer could Incur at least CHF 1.00 of additional Indebtedness pursuant to the first paragraph under the “—*Limitation on Indebtedness*” covenant or (y) the Consolidated Leverage Ratio would not be greater than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer’s Certificate certifying that such designation complied with the foregoing provisions.

“*Voting Stock*” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

“*Wholly Owned Subsidiary*” means a Restricted Subsidiary of the Issuer, all of the Voting Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another Wholly Owned Subsidiary) is owned by the Issuer or another Wholly Owned Subsidiary.

BOOK-ENTRY; DELIVERY AND FORM

General

Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act will initially be represented by a global note in registered form without interest coupons attached (the “Rule 144A Global Note”). Notes sold to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act will initially be represented by a global note in registered form without interest coupons attached (the “Regulation S Global Note” and, together with the Rule 144A Global Note, the “Global Notes”). On the Issue Date, the Global Notes will be deposited 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 Note (the “Rule 144A Book-Entry Interests”) and ownership of interests in the Regulation S Global Note (the “Regulation S Book-Entry Interests” and, together with the Rule 144A Book-Entry Interests, the “Book-Entry Interests”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that 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 in Book-Entry form by Euroclear and Clearstream and their participants. The Book-Entry interests will not be held in definitive form. Instead Euroclear and Clearstream will credit on their Book-Entry transfer and registration systems a participants account with the interest beneficially owned by such participant. 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 respective 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 respective Indenture.

Neither of the Issuers nor any of the Trustees will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Definitive Registered Notes

Under the terms of each Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes only in the following circumstances:

- (i) if Euroclear or Clearstream notifies the relevant Issuer that it is unwilling or unable to continue to act as depositary or has ceased to be a clearing agency required under the Exchange Act and, in either case, a successor depositary is not appointed by the relevant Issuer within 120 days; or
- (ii) the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the relevant Indenture and enforcement action is being taken in respect thereof under the relevant Indenture.

Euroclear and Clearstream have advised each of the Issuers that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (ii), their current procedure is to request that the relevant Issuer 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 the relevant Issuer, as applicable (in accordance with its 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 “*Notice to Investors*”/the relevant Indenture, unless that legend is not required by the relevant Indenture or applicable law.

To the extent permitted by law, each of the Issuers, the Trustees, the Paying Agents and the Registrars 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 relevant 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.

The Issuers will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the Notes, (ii) any date fixed for redemption of the Notes or (iii) the date fixed for selection of the Notes to be redeemed in part. Also, the Issuers are not required to register the transfer or exchange of any Notes selected for redemption or which the holder has tendered (and not withdrawn) for repurchase in connection with a change of control offer or asset sale offer. In the event of the transfer of any Definitive Registered Note, the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the relevant Indenture. The relevant Issuer may require a holder to pay any transfer taxes and fees required by law and permitted by the respective Indenture and the Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such a Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the Registrar or at the office of a transfer agent, the relevant Issuer will issue and the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and the relevant Issuer's requirements are met. The relevant Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect themselves, the Trustee or the Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The relevant Issuer may charge for any expenses incurred by it in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the relevant Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged only after the transferor first delivers to the Trustee a written certification (in the form provided in the relevant Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See "*Transfer Restrictions*."

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). Each Issuer understands 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 respective participants' accounts on a proportionate 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 or CHF 150,000 principal amount may be redeemed in part.

Payments on Global Notes

The Issuers 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 custodian or its nominee for Euroclear and Clearstream. The common depositary will distribute such payments to participants in accordance with their customary procedures. The Issuers 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 respective Indentures, each of the Issuers and each of the Trustees 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 the Issuers, the Trustees or any of their respective agents has or will have any responsibility or liability for:

- any 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;
- any other matter relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant or any participant or indirect participant; or
- the records of the common depositary.

Payments by participants to owners of Book-Entry interests held through participants are the responsibility of such participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of (i) the Fixed Rate Senior Secured Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in CHF, (ii) the Floating Rate Senior Secured Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in euro and (iii) the Senior Notes will be paid to holders of interests in such Notes through Euroclear and/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 a Note (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 relevant Notes, Euroclear and Clearstream, at the request of the holders of such Notes, reserve the right to exchange the Global Notes for definitive registered Notes in certificated form (the “Definitive Registered Notes”), 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 and Clearstream’s rules and will be settled in immediately available funds. If a holder of a Note requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states that 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 relevant Indenture.

The Global Notes will bear a legend to the effect set forth under “*Transfer Restrictions*.” Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under “*Transfer Restrictions*.”

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 relevant Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act or any other exemption (if available under the 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 relevant Indenture) to the effect that such transfer is being made to a person who 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 “*Transfer Restrictions*” 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 Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A 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 Senior Secured Notes—Transfer and Exchange*” and “*Description of the Senior Notes—Transfer and Exchange*,” as the case may be and, if required, only if the transferor first delivers to the relevant Trustee a written certificate (in the form provided in the relevant Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See “*Transfer Restrictions*.”

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.

Pledges

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 Book-Entry Interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, 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 person may be limited.

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. Neither of the Issuers nor any of the Initial Purchasers are responsible for those operations or procedures.

Each of the Issuers understands 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 act only 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.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Euroclear and/or Clearstream on the same business day as in the United States. United States investors who wish to transfer their interests in the Notes, or to receive or make a payment or delivery of Notes, on a particular day, may find that the transactions will not be performed until the next business day in Brussels, if Euroclear is used, or in Luxembourg, if Clearstream is used.

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 Luxembourg Stock Exchange and admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange. 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 the Issuers, the Guarantors, the Initial Purchasers, the Trustees or the Paying Agents 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 Fixed Rate Senior Secured Notes will be made in Swiss francs. Initial settlement for each of the Floating Rate Senior Secured Notes and the Senior 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.

TAX

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences, under the tax laws of the country of which they are resident, of a purchase of Notes including without limitation, the consequences of receipt of interest and premium, if any, on and sale or redemption of Notes or any interest therein.

EU Savings Directive

Under Council Directive 2003/48/EC (the “Directive”) on the taxation of savings income, each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. However, for a transitional period, Austria and Luxembourg will (unless during such period they elect otherwise) instead operate a withholding system in relation to such payments. Under such a withholding system, the beneficial owner of the interest payment must be allowed to elect that certain provision of information procedures should be applied instead of withholding. The rate of 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 exchange of information procedures relating to interest and other similar income.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted or agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those countries and territories in relation to payments made by a person in a Member State to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, one of those countries or territories.

A proposal for amendments to the Directive has been published, including a number of suggested changes which, if implemented, would broaden the scope of the rules described above. Investors who are in any doubt as to their position should consult their professional advisers.

If a payment under a Note were to be made by a person in a Member State or another country or territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Directive or any law implementing or complying with, or introduced in order to conform to the Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts under the terms of such Note as a result of the imposition of such withholding tax. The Issuer is, however, in a case where it is required to maintain a Paying Agent in Luxembourg, also required to use reasonable efforts to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive or any such law.

Swiss Tax Considerations

The following statements contain an overview of the Swiss tax implications resulting from the Notes. The following statements are based upon Swiss tax laws and administrative practices as currently in force. Modifications of the applicable legal regulations may necessitate a re-evaluation of the tax consequences. The summary below is not a substitute for legal or tax advice sought by interested parties. Prospective investors should seek advice of their tax advisors to clarify any tax implications resulting from an investment in the Notes.

The tax treatment of the Notes with respect to the Swiss stamp tax duties in connection with the issuance of the Notes and the Swiss withholding tax has been confirmed by the Swiss Federal Tax Administration.

Swiss Income Tax

Swiss Resident Private Noteholders: The Notes will be classified as ordinary Notes in accordance with Circular No 15 issued by the Swiss Federal Tax Administration on 7 February 2007. Therefore, for private Noteholders resident in Switzerland who hold the Notes as private assets (*Privatvermögen*), the interest payments are treated as taxable interest and, thus, subject to Swiss federal income and cantonal and municipal income taxes. Capital gains realized on the sale or redemption of the Notes are exempt from Swiss federal income and cantonal and municipal income taxes.

Swiss Resident Business Noteholders: Swiss residents who hold the Notes as business assets and foreign residents who hold the Notes through a permanent establishment or a fixed place of business (*Geschäftsvermögen*) are in general taxed according to Swiss statutory accounting principles (*Massgeblichkeitsprinzip*) for purposes of Swiss federal income and cantonal and municipal income taxes. Interest payments are in general part of the taxable business profit. Capital gains realized on the sale or redemption of the Notes are part of their taxable business profit subject to Swiss federal income and cantonal and municipal income taxes. This provision also applies to individuals who qualify as so-called professional securities dealers (*gewerbsmässige Wertschriftenhändler*) for tax purposes.

Non-Swiss Resident Noteholders: Noteholders who (i) are not resident in Switzerland and (ii) during the taxable year have not engaged in trade or business through a permanent establishment or a fixed place of business within Switzerland and (iii) are not subject to taxation in Switzerland for any other reason, will not be subject to any Swiss federal, cantonal or municipal income or other taxes on income realized on interest payments received or on capital gains resulting from a sale or redemption of the Notes.

Swiss Withholding Tax

Payments of periodic interest in respect of the Notes by the Issuer will not be subject to Swiss withholding tax (*Verrechnungssteuer*), and the Issuer will not be required to withhold tax at such rate from any payments of interest under the Notes.

Stamp Duties

No Swiss stamp duties will be imposed in connection with the issuance or redemption of the Notes. The transfer of the Notes will be subject to the Swiss Transfer Stamp Duty (*Umsatzabgabe*) if (i) such transfer or sale is made by or through the intermediary of a securities dealer resident in Switzerland or Liechtenstein, as defined in the Swiss Stamp Tax Act (*Bundesgesetz über die Stempelabgaben*), and (ii) no exception applies.

Luxembourg Tax Considerations

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers 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 assessment purposes only. In addition, any reference 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 encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*impôt de solidarité*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, 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 Holders of the Notes

Withholding Tax

Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of June 21, 2005 (the “Laws”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders 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 the Notes held by non-resident holders of Notes.

Under the Laws implementing the Directive and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “Territories”), excluding among others the Cayman Islands and, at the date of publication of this Prospectus, the Turks and Caicos Islands and Anguilla, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for

the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is levied at a rate of 35% (applicable rate since July 1, 2011). Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 35%.

Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the “2005 Law”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the 2005 Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg, will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10%.

Income Taxation

Non-resident holders of Notes

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

Resident holders of Notes

A resident corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of Notes, acting in the course of the management of a professional or business undertaking.

A resident holder of Notes that is governed by the law of May 11, 2007 on family estate management companies, or by the law of 20 December, 2002 on undertakings for collective investment, as amended, respectively the law of 17 December 2010 on undertakings for collective investment, or by the law of 13 February, 2007 on specialised investment funds, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

A resident individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the 2005 Law, or (ii) the individual holder of the Notes has opted for the application of a 10% tax in full discharge of income tax in accordance with the 2005 Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the Council Directive 2003/48/EC of June 3, 2003. A gain realised by an individual holder of Notes,

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 or assimilated thereto (e.g., issue discount, redemption premium, etc.) is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Law.

Net Wealth Taxation

A corporate holder of Notes, whether it is resident of Luxembourg for tax purposes or, if not, if it maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the law of May 11, 2007 on family estate management companies, or by the law of December 20, 2002 on undertakings for collective investment, as amended, respectively the law of 17 December 2010 on undertakings for collective investment, or by the law of February 13, 2007 on specialised investment funds, or is a securitization company governed by the law of March 22, 2004 on securitization, or is a capital company governed by the law of June 15, 2004 on venture capital vehicles, as amended.

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

Neither the issuance nor the transfer of Notes will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties unless the documents relating to the Notes are voluntarily registered in Luxembourg or presented during a court proceeding in a Luxembourg individuals.

Where a holder of Notes 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.

Certain U.S. Federal Income Tax Considerations

TO COMPLY WITH INTERNAL REVENUE SERVICE CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY PROSPECTIVE INVESTORS, FOR THE PURPOSES OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”); (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING BY US OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion summarizes certain U.S. federal income tax considerations that may be relevant to you if you invest in Notes and are a U.S. holder. You will be a U.S. holder if you are an individual who is a citizen or resident of the United States, a U.S. domestic corporation (or any other entity treated as a corporation for U.S. federal income tax purposes), or any other person that is subject to U.S. federal income tax on a net income basis in respect of an investment in the Notes. This summary deals only with U.S. holders that purchase the Notes in their initial issuance and hold Notes as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, partnership or partner therein, insurance company, dealer in securities or currencies, trader in securities or commodities that elects mark to market treatment, person that will hold Notes as a hedge against currency risk or as a position in a “straddle” or conversion transaction, tax-exempt organization or a person whose “functional currency” is not the U.S. dollar. This summary assumes that the Senior Secured Notes and the Senior Notes will be issued on the Issue Date.

This summary is based on laws, regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds our Notes, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our Notes, you should consult your tax advisors.

You should consult your tax advisors about the tax consequences of holding Notes, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local or other tax laws.

Characterization of the Notes

In certain circumstances (see “*Description of the Senior Secured Notes—Optional Redemption*,” “*Description of the Senior Notes—Optional Redemption*,” “*Description of the Senior Secured Notes—Change of Control*,” “*Description of the Senior Notes—Change of Control*,” “*Description of the Senior Secured Notes—Withholding Taxes*” and “*Description of the Senior Notes—Withholding Taxes*”) we may be obligated to make payments on the Notes in excess of stated principal and interest. We intend to take the position that the foregoing contingencies should not cause the Notes to be treated as contingent payment debt instruments. This position is based in part on assumptions regarding the likelihood, as of the date of issuance of the Notes, that such additional payments will not have to be paid. Our position is not binding on the U.S. Internal Revenue Service (the “IRS”). If the IRS successfully challenged this position, and the Notes were treated as contingent payment debt instruments, the timing and character of income on the Notes would differ materially from the discussion below. The discussion below assumes that the Notes will not be considered contingent payment debt instruments. U.S. holders are urged to consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Payments or Accruals of Stated Interest

The Notes will not be issued with more than a de minimis amount of original issue discount for U.S. federal income tax purposes. Accordingly, payments of stated interest, any Additional Amounts, and any tax withheld from such payments on a Note will be taxable to you as ordinary income at the time that such payments are accrued or are received (in accordance with your method of tax accounting).

If you use the cash method of tax accounting and receive a payment of interest in a currency other than U.S. dollars (a “foreign currency”), the amount of interest income you will realize is the U.S. dollar value of the foreign currency payment translated at the spot rate in effect on the date you receive the payment, regardless of whether you convert the payment into U.S. dollars. If you are an accrual-basis U.S. holder, the amount of interest income you will realize will be based on the average exchange rate in effect during the interest accrual period (or with respect to an interest accrual period that spans two taxable years, at the average exchange rate for the partial period within the taxable year). Alternatively, if you are an accrual-basis U.S. holder, you may elect to translate all interest income on such Notes at the spot rate on the last day of the accrual period (or the last day of the taxable year, in the case of an accrual period that spans more than one taxable year) or on the date that you receive the interest payment if that date is within five business days of the end of the accrual period. If you make this election, you must apply it consistently to all debt instruments from year to year and you cannot change the election without the consent of the IRS. If you use the accrual method of accounting for tax purposes, you will recognize foreign currency gain or loss on the receipt of a foreign currency interest payment if the spot rate on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will constitute ordinary income or loss and generally will be treated as U.S. source income or loss, but generally will not be treated as an adjustment to interest income received on the Note.

Interest on a Note (including Additional Amounts) generally will constitute foreign source income and generally will be considered “passive category income” in computing the foreign tax credit allowable to U.S. holders under U.S. federal income tax laws. The rules relating to foreign tax credits and the timing thereof are complex. You should consult your own tax advisors regarding the application of the foreign tax credit rules to your investment in, and disposition of, the Notes.

Sale, Exchange, Redemption, Retirement or other Taxable Disposition of Notes

Your tax basis in a Note generally will equal the cost of such Note to you. The cost to you of a Note will be the U.S. dollar value of the foreign currency purchase price on the date of purchase calculated at the spot rate on that date. If the Notes are traded on an established securities market and you are a cash-basis taxpayer (or if you are an accrual-basis taxpayer that makes a special election), you will determine the U.S. dollar value of the cost of the Notes by translating the amount of the foreign currency that you paid for the Notes at the spot rate of exchange on the settlement date of your purchase. If you convert U.S. dollars into a foreign currency and then immediately use that foreign currency to purchase a Note, you generally will not have any taxable gain or loss as a result of the conversion or purchase.

Upon the sale, exchange or retirement of a Note, you generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued but unpaid qualified stated interest, which will be taxable as such) and your tax basis in such Note. If you sell or exchange a Note for a foreign currency, or receive foreign currency on the retirement of a Note, the amount you will realize for U.S. tax purposes generally will be the dollar value of the foreign currency that you receive calculated at the spot rate on the date the foreign currency Note is disposed of or retired. If you dispose of a Note that is traded on an established securities market and you are a cash-basis U.S. holder (or if you are an accrual-basis holder that makes a special election), you will determine the U.S. dollar value of the amount realized by translating the amount at the spot rate on the settlement date of the sale, exchange or retirement.

The special election available to you if you are an accrual-basis taxpayer in respect of the purchase and sale of Notes traded on an established securities market, which is discussed in the two preceding paragraphs, 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, the gain or loss that you recognize on the sale, exchange or retirement of a Note generally will be capital gain or loss. The gain or loss on the sale, exchange or retirement of a Note 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 recognized by an individual U.S. holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. Capital gain or loss, if any, recognized by a U.S. holder generally will be treated as U.S. source income or loss for U.S. foreign tax credit limitation purposes. The ability of U.S. holders to offset capital losses against income is limited.

Gain or loss that you recognize on the sale, exchange or retirement of a Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates with respect to the principal amount of the Note during the period in which you held the Note. For these purposes, the principal amount of the Note is your purchase price for the Note calculated in foreign currency on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between (i) the U.S. dollar value of the principal amount determined on the date you sell, exchange, retire or otherwise dispose of the Note and (ii) the U.S. dollar value of the principal amount determined on the date you purchased the Note. The amount of exchange gain or loss will be limited to the amount of overall gain or loss realized on the disposition of the Note. This foreign currency gain or loss will not be treated as an adjustment to interest income that you receive on the Note.

Information Reporting and Backup Withholding

In general, payments of interest (including Additional Amounts) and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. holder may be required to be reported to the IRS unless the U.S. holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability and may entitle you to a refund, provided that the appropriate information is timely furnished to the IRS.

PLAN OF DISTRIBUTION

The Senior Secured Notes Issuer and Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Citigroup Global Markets Limited, J.P. Morgan Securities, Ltd., Morgan Stanley & Co. International plc and UBS Limited have entered into a purchase agreement dated February 3, 2012, with respect to the Senior Secured Notes (the “Senior Secured Notes Purchase Agreement”), and the Senior Notes Issuer and Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Citigroup Global Markets Limited, J.P. Morgan Securities, Ltd., Morgan Stanley & Co. International plc and UBS Limited have entered into a purchase agreement dated February 3, 2012, with respect to the Senior Notes (the “Senior Notes Purchase Agreement” and, with the Senior Secured Notes Purchase Agreement, the “Purchase Agreements”). Credit Suisse Securities (Europe) Limited and Deutsche Bank AG, London Branch, representatives of the Initial Purchasers under the relevant Purchase Agreement, are hereinafter referred to as the “Representatives.”

Subject to the terms and conditions set forth in the respective Purchase Agreements, (i) the Senior Secured Notes Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Senior Secured Notes Issuer, the entire principal amount of the Senior Secured Notes, and (ii) the Senior Notes Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Senior Notes Issuer, the entire principal amount of the Senior Notes.

The obligations of the Initial Purchasers under the respective Purchase Agreements, including their agreement to purchase Notes from the relevant Issuer, are several and not joint. The respective Purchase Agreements provide that the Initial Purchasers will purchase all of the Notes if any of them are purchased.

The Initial Purchasers initially propose to offer the Notes for resale at the respective issue price that appears on the cover of this Prospectus for each of the Senior Secured Notes and the Senior Notes. After the initial Offerings, the Initial Purchasers may change the Offerings’ price and any other selling terms without notice. The Initial Purchasers may offer and sell Notes through certain of their affiliates or through registered broker-dealers.

In the respective Purchase Agreements, we have agreed that:

- the obligations of the Initial Purchasers to pay for and accept delivery of the relevant Notes are subject to, among other conditions, the delivery of certain opinions by their counsel;
- during the period from the date of the respective Purchase Agreements through and including the date that is 90 days after such dates, none of the relevant Issuer, the Guarantors (upon accession to the relevant Purchase Agreement, as applicable), or any of the relevant Issuer or the Guarantors will, without the prior written consent of the Representatives, offer, sell, contract to sell or otherwise dispose of any debt securities issued or guaranteed by the Issuer or any of the Guarantors and having a tenor of more than one year (other than the Senior Secured Notes and the Senior Notes); and
- the relevant Issuer and the relevant Guarantors (upon accession to the relevant Purchase Agreement, as applicable) will indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and/or will contribute to payments that the Initial Purchasers may be required to make in respect of those liabilities.

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 Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. In the relevant Purchase Agreements, each Initial Purchaser has agreed that:

- 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 the registration requirements of the Securities Act or in transactions not subject to those registration requirements; and
- during the initial distribution of the Notes, it will offer or sell Notes only to qualified institutional buyers in compliance with Rule 144A of the Securities Act and outside the United States to persons that are not U.S. persons in compliance with Regulation S.

In addition, until 40 days following the later of (i) the commencement of this Offering and (ii) the Issue Date, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A of the Securities Act or another exemption from registration under the Securities Act. During this 40-day period, neither Clearstream nor Euroclear will monitor compliance by dealers with section 4(3) of the Securities Act.

The Notes are a new issue of securities, and there is currently no established trading market for the Notes. In addition, the Notes are subject to certain restrictions on resale and transfer as described under “*Transfer Restrictions*.” We do not intend to apply for the Notes to be listed on any securities exchange other than the Official List of the Luxembourg Stock Exchange (for which application has already been made) or to arrange for the Notes to be quoted on any quotation system. The Initial Purchasers have advised us that they intend to make a market in the Notes, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the Notes at any time in their sole discretion. In addition, such market making activities will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you that a liquid trading market will develop for the Notes, that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favorable.

In connection with the Offering of the Notes, the Initial Purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the Offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate-covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of those transactions. If the Initial Purchasers engage in stabilizing or syndicate-covering transactions, they may discontinue them at any time.

The Issuers expect that delivery of the Notes will be made against payment on the respective Notes on or about the date specified on the cover page of this Prospectus, which will be five business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as “T+5”). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to 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 Prospectus or the next business day 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.

In the respective Purchase Agreements, each Initial Purchaser has represented and agreed that:

- it has complied and will comply with all applicable provisions of the U.K. Financial Services and Markets Act 2000, or “FSMA”, with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- 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 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 the Issuer or the Guarantors.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by any of the Issuers or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Prospectus 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 Prospectus 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 Prospectus 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 Prospectus comes are advised to inform themselves about and to observe any restrictions relating to the Offerings of the Notes, the distribution of this Prospectus and resale of Notes. See “*Notice to Investors*.”

The Issuers and the Guarantors have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or the safe harbor of Rule 144A and Regulation S under the Securities Act to cease to be applicable to the offer and sale of the Notes.

The Initial Purchasers and their affiliates have provided and may, from time to time, continue to provide various financial advisory, investment banking, commercial banking and other services to us in the ordinary course of business, for which they have received (and expect to continue to receive) customary fees and reimbursement of expenses.

In addition, Credit Suisse International, Deutsche Bank AG, London Branch, Citigroup Global Markets Limited, JP Morgan Chase Bank N.A., London Branch, Morgan Stanley Bank International Limited and UBS Limited or their respective affiliates are lenders under our Senior Facilities Agreement and the bridge facilities that we have entered into as borrowers, and such entities may act as counterparties in the hedging arrangements we expect to enter into in connection with the Transactions, and will receive customary fees for their services in such capacities. UBS AG, London Branch will also act as Security Agent for the Senior Secured Notes, the Senior Notes, the Senior Facilities Agreement and the Intercreditor Agreement.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

General

The Notes and the Notes Guarantees have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction, 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 Securities Act and securities laws of any other applicable jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and in offshore transactions in reliance on Regulation S under the Securities Act.

We have not registered and will not register the Notes or the Notes Guarantees under the Securities Act and, therefore, the Notes may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 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 under the Securities Act in compliance with Rule 144A; and
- outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

We use the terms “offshore transaction,” “U.S. person” and “United States” with the meanings given to them in Regulation S under the Securities Act.

Important Information about the Offerings

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with each Issuer and Guarantor and the Initial Purchasers as follows:

- (1) You understand and acknowledge that the Notes and the Notes Guarantees have not been registered under the Securities Act or the securities laws of any other applicable jurisdiction and that the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.
- (2) You are not our “affiliate” (as defined in Rule 144 under the Securities Act) or acting on our behalf and you are either:
 - (a) a QIB, within the meaning of Rule 144A under the Securities Act, and are aware that any sale of these Notes to you will be made in reliance on Rule 144A under the Securities Act, and such acquisition will be for your own account or for the account of another QIB; or
 - (b) 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 Securities Act.
- (3) You acknowledge that neither we, nor any of the Guarantors or the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to the Issuers and its subsidiaries or the offer or sale of any of the Notes, other than the information contained in this Prospectus, which Prospectus has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that no person other than each of the Issuers makes any representation or warranty as to the accuracy or completeness of this Prospectus. You have had access to such financial and other information concerning us 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 Securities Act or any other applicable 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, Regulation S or any other exemption from registration available under the Securities Act.
- (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 prior to the date (the “Resale Restriction Termination Date”) that is one year (in the case of Rule 144A Notes) or 40 days (in the case of Regulation S Notes) after the later of the date of the original issue and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only:
- (a) to the Issuer, the Guarantors or any subsidiary thereof;
 - (b) pursuant to a registration statement that has been declared effective under the Securities Act;
 - (c) for so long as the Notes are eligible for resale pursuant to Rule 144A under the Securities Act, 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 under the Securities Act;
 - (d) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; or
 - (e) pursuant to any other available exemption from the registration requirements of the Securities Act;
- 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.

You acknowledge that the relevant Issuer, the relevant Trustee, the applicable registrar and the applicable Transfer Agent reserve the right prior to any offer, sale or other transfer of the relevant Notes (i) pursuant to clause (d) or (e) above prior to the Resale Restriction Termination Date of the Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to each of them, the relevant Issuer, the relevant Trustee, the applicable registrar and the applicable Transfer Agent, and (ii) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

- (6) Each purchaser acknowledges that each Global Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)) OR (B) IT IS ACQUIRING THIS SECURITY IN AN “OFFSHORE TRANSACTION” PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS

SECURITY) ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, 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 THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF 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.

- (7) You agree that you will, and each subsequent holder is required to, give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes, if then applicable.
- (8) You acknowledge that until 40 days after the commencement of the relevant Offering, any offer or sale of the relevant Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.
- (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 you 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 and complete, you shall promptly notify us and the Initial Purchasers in writing. 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 any of the Issuers, the Guarantors or the Initial Purchasers that would result in a public offering of Notes or the possession, circulation or distribution of this Prospectus or any other material relating to any Issuer, any of the Guarantors or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of Notes will be subject to the selling restrictions set forth in this section of the Prospectus and/or in the front of the Prospectus under “*Notice to Investors*,” “*Notice to New Hampshire Residents*” and “*Plan of Distribution*.”

AVAILABLE INFORMATION

Each purchaser of Notes from the Initial Purchasers was furnished with a copy of this Prospectus and any related amendments or supplements to this Prospectus. Each person receiving this Prospectus and any related amendments or supplements to this Prospectus was deemed to acknowledge that:

- (1) such person was afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (2) such person did not rely on any of the Initial Purchasers or any person affiliated with any of the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (3) except as provided pursuant to paragraph (1) above, no person was authorized to give any information or to make any representation concerning the Notes or each Notes Guarantee offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or any of the Initial Purchasers.

For so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, each Issuer will, during any period in which it is neither subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, nor exempt from the reporting requirements under Rule 12g3-2(b) of the Exchange Act, make available to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Any such request should be directed to any of the Issuers at 41, Boulevard du Prince Henri, L-1724 Luxembourg.

Neither Issuer is currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Senior Secured Notes Indenture and the Senior Notes Indenture, respectively, and so long as the Notes are outstanding, each Issuer will agree to furnish periodic information to holders of the relevant Notes. See “*Description of the Senior Secured Notes—Certain Covenants—Reports*” and “*Description of the Senior Notes—Certain Covenants—Reports.*”

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, and the rules of that exchange so require, copies of each Issuer’s organizational documents, the Indentures, the Intercreditor Agreement and the Senior Notes Issuer’s most recent consolidated financial statements published may be requested from the Issuers at the specified office of the Issuers at 41, Boulevard du Prince Henri, L-1724 Luxembourg. See “*Notice to Investors*” and “*Listing and General Information—Listing.*”

INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS

The statutory auditors of the Company are Deloitte SA, Meyrin, Switzerland and the IFRS consolidated financial statements of and for each of the years ended December 31, 2010 and 2009, each included in this Prospectus, have been audited by Deloitte SA, Meyrin, as stated in their report appearing herein.

LEGAL MATTERS

The validity of the Notes, the Notes Guarantees and certain other legal matters are being passed upon for us by Simpson Thacher & Bartlett LLP and Cleary Gottlieb Steen & Hamilton LLP, with respect to matters of U.S. federal and New York state law, by Bär & Karrer Ltd., with respect to matters of Swiss law, and by Bonn Steichen & Partners, with respect to matters of Luxembourg law. Certain legal matters in connection with the Offerings will be passed upon for the Initial Purchasers by Latham & Watkins AARPI (Paris) and Linklaters LLP, with respect to matters of U.S. federal and New York state law, by Pestalozzi Attorneys at Law Ltd with respect to matters of Swiss law, and by Linklaters LLP, with respect to matters of Luxembourg law.

LISTING AND GENERAL INFORMATION

Listing

Application has been made to list the Fixed Rate Senior Secured Notes, the Floating Rate Senior Secured Notes and the Senior Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of the Luxembourg Stock Exchange (the “Euro MTF”).

Luxembourg Listing Information

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF market of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, each of the Issuers will publish or make available any notices (including financial notices) to the public in written form at places indicated by announcements to be published in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu) or by any other means considered equivalent by the Luxembourg Stock Exchange.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, copies of the following documents may be obtained at the specified office of the listing agent in Luxembourg and the registered office of the Issuer during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded):

- the organizational documents of each of the Issuers and each of the Guarantors;
- the financial statements included in this Prospectus;
- our most recent audited consolidated financial information, and any interim financial information published by us;
- the Indentures (which include the Guarantees and the form of the Notes);
- the Intercreditor Agreement;
- and the security documents, which create the security interests as contemplated by the Indentures.

Each of the Issuers has appointed Deutsche Bank Luxembourg S.A. as Luxembourg listing agent, paying agent, transfer agent and registrar to make payments on, when applicable, and transfers of, the Senior Secured Notes and the Senior Notes, respectively. Each of the Issuers reserves the right to change this appointment in accordance with the terms of the Senior Secured Notes Indenture and the Senior Notes Indenture, respectively. Application may also be made to the Euro MTF market to have the Notes removed from listing on the Euro MTF market, including if necessary to avoid any new withholding taxes in connection with the listing.

Each of the Issuers accepts responsibility for the information contained in this Prospectus. Each of the Issuers declares that, having taken all reasonable care to ensure that such is the case, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import. This Prospectus may only be used for the purposes for which it has been published.

Clearing Information

The Fixed Rate Senior Secured Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under common codes 074240640 and 074240682, respectively. The international securities identification number (the “ISIN Number”) for the Fixed Rate Senior Secured Notes sold pursuant to Regulation S is XS0742406407 and the ISIN Number for the Fixed Rate Senior Secured Notes sold pursuant to Rule 144A is XS0742406829.

The Floating Rate Senior Secured Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under common codes 074412793 and 074444253, respectively. The ISIN Number for the Floating Rate Senior Secured Notes sold pursuant to Regulation S is XS0744127936 and the ISIN Number for the Floating Rate Senior Secured Notes sold pursuant to Rule 144A is XS0744442533.

The Senior Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under common codes 074240798 and 074240810, respectively. The ISIN Number for the Senior Notes sold pursuant to Regulation S is XS0742407983 and the ISIN Number for the Senior Notes sold pursuant to Rule 144A is XS0742408106.

General Information

Except as disclosed in this Prospectus:

- there has been no material adverse change in the prospects of the Company since September 30, 2011, the date of its last published consolidated financial information;
- there has been no material adverse change in the Senior Secured Notes Issuer's financial position since its date of incorporation;
- there has been no material adverse change in the Senior Notes Issuer's financial position since its date of incorporation; and
- neither the Senior Secured Notes Issuer, the Senior Notes Issuer, the Company, nor any of their direct or indirect subsidiaries has been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issuance of the Notes and, so far as any of the Issuers are aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

For the avoidance of doubt, any website referred to in this Prospectus and the information on the referenced website does not form part of this Prospectus prepared in connection with the proposed offering of the Notes.

Material Contracts

Contracts not entered into in the ordinary course of an Issuer's business that could result in any member of the Group being under an obligation or entitlement that is material to such Issuer's ability to meet its obligations to Noteholders in respect of the relevant Notes are summarized in "*Certain Relationships and Related Party Acquisition*," "*Description of the Senior Secured Notes*," "*Description of the Senior Notes*" and "*Description of Certain Financing Arrangements*."

ISSUER AND GUARANTOR INFORMATION

Issuers

The Senior Secured Notes Issuer is a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg on December 23, 2011. The articles of incorporation of the Senior Secured Notes Issuer were published in the “Receuil du Mémorial” on February 16, 2012. The Senior Secured Notes Issuer has a share capital of CHF 40,000 comprised of 40,000 shares with a par value of CHF 1.00 each, each being fully paid up. The Senior Secured Notes Issuer’s corporate seat and principal executive office is at 41, Boulevard du Prince Henri, L-1724 Luxembourg. The Senior Secured Notes Issuer is registered with the Luxembourg Trade and Companies Register under registration number 165.835.

The Senior Notes Issuer is a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg on December 23, 2011. The articles of incorporation of the Senior Notes Issuer were published in the “Receuil du Mémorial” on February 22, 2012. The Senior Notes Issuer has a share capital of CHF 80,000 comprised of 80,000 shares with a par value of CHF 1.00 each, each being fully paid up. The Senior Notes Issuer’s corporate seat and principal executive office is at 41, Boulevard du Prince Henri, L-1724 Luxembourg. The Senior Notes Issuer is registered with the Luxembourg Trade and Companies Register under registration number 165.831.

The auditor of the Senior Secured Notes Issuer and the Senior Notes Issuer is KPMG Luxembourg S.à r.l., a company incorporated under the laws of Luxembourg, having its registered office at 9, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Commerce and Companies under number B 149.133.

The Senior Notes Issuer shall provide to the Trustee the reports required under “*Description of the Senior Secured Notes—Certain Covenants—Reports*” and “*Description of the Senior Notes—Certain Covenants—Reports*.” Such reporting obligations include the requirement to provide annual reports of the Senior Notes Issuer and quarterly reports for the first three fiscal quarters of the Senior Notes Issuer within the specified periods. No separate reports are required to be or will be published by the Senior Secured Notes Issuer.

The following table sets out the unaudited statement of financial position of the Senior Notes Issuer as at January 25, 2012 and December 31, 2011. There would be no material difference in the unaudited statement of financial position for the Senior Secured Notes Issuer for the same periods presented below.

	<u>January 25,</u> <u>2012</u> <u>CHF</u>	<u>December 31,</u> <u>2011</u> <u>CHF</u>
ASSETS		
Financial assets		
Shares in affiliated undertakings	40,000	40,000
Current assets		
Amounts owed by affiliated undertakings becoming due and payable within one year	640	640
Cash at bank and in hand	39,191	40,563
	<u>39,831</u>	<u>41,203</u>
Total assets	<u>79,831</u>	<u>81,203</u>
LIABILITIES		
Capital and reserves		
Subscribed capital	80,000	80,000
Loss brought forward	(2,601)	—
Result for the financial period	<u>(163)</u>	<u>(2,601)</u>
	77,236	77,399
Creditors		
Amounts owed to affiliated undertakings becoming due and payable within one year	1,280	1,280
Other creditors becoming due and payable within one year	<u>1,315</u>	<u>2,524</u>
Total liabilities	<u>79,831</u>	<u>81,203</u>

Each of the Issuers has obtained all necessary consents, approvals and authorizations in the jurisdiction of its incorporation in connection with the issuance and performance of the relevant Notes. The creation and issuance of the Senior Notes was authorized by the Senior Notes Issuer's board of directors on January 27, 2012 and the creation and issuance of the Senior Secured Notes was authorized by the Senior Secured Notes Issuer's board of directors on January 27, 2012.

Neither Issuer has issued any convertible debt securities, exchangeable debt securities or debt securities with warrants attached, as at the date of this Prospectus.

Guarantors

The companies, other than the Issuers, that are also expected to become Guarantors have the following corporate information:

- (a) The Company, Orange Communications SA, is a Swiss stock corporation (*société anonyme*) pursuant to arts. 620 et seq. of the Swiss Code of Obligations with an issued share capital of CHF 400 million divided into 1,150,000 registered A shares of CHF 0.01 nominal value each and 7,999,770 registered B shares of CHF 50 nominal value each, each being fully paid up. Orange Communications SA was incorporated on January 20, 1998 and is domiciled at Rue du Caudray 4, 1020 Renens VD, Switzerland. Orange Communications SA is registered with the Commercial Registry Office of the Canton of Vaud with registered number CH-550-0057019-0.
- (b) Orange Network SA is a Swiss stock corporation (*société anonyme*) pursuant to arts. 620 et seq. of the Swiss Code of Obligations with an issued share capital of CHF 620,100,000 divided into 6,201,000 shares of CHF 100.00 nominal value each, each being fully paid up. Orange Network SA was incorporated on December 4, 2007 and is domiciled at Rue du Caudray 4, c/o Orange Communications SA, 1020 Renens VD, Switzerland. Orange Network SA is registered with the Commercial Registry Office of the Canton of Vaud with registered number CH-550-1052710-3.

For a description of the business activities of the Company and its subsidiaries, including Orange Network SA, see "Business".

GLOSSARY OF TECHNICAL TERMS

The following technical terms and abbreviations when used in this Prospectus have the definitions ascribed to them opposite below, except where otherwise indicated.

Abbreviation	Definitions
“2G”	Second Generation Mobile System of which GSM represents one universal standard.
“3G”	Third Generation Mobile System of which UMTS represents one universal standard.
“4G”	Fourth Generation Mobile System of which LTE represents one universal standard.
“Asymmetric Digital Subscriber Line” or “ADSL”	A modem technology that converts existing twisted-pair telephone lines into access paths for high-speed data communications at transmission speeds at relatively high transmission rates that can be 50 times or more faster than dial-up internet access.
“average revenues per user” or “ARPU”	Average revenues per user is a telecom industry metric generally calculated by dividing total revenues for a product group by the average number of subscribers during a period. See “ <i>Presentation of Financial and Other Data—Market, Economic and Subscriber Data</i> ” for an explanation of the Company’s calculation methodology for relevant ARPU.
“backbone”	A high speed line, or a series of connections forming a major communication pathway within a network, which uses a much faster protocol than that employed by a single local area network and has the highest traffic intensity.
“band”	In wireless communication, band refers to a frequency or contiguous range of frequencies.
“base station” or “sites”	Base transceiver station. Landline transmitter/receiver equipment in each geographic area or cell of a mobile telecommunications network that communicates by radio signal with mobile telephones in the cell.
“bit”	The smallest unit of binary information.
“bitstream”	A service consisting of the supply by Swisscom to the alternative operator of the transmissions capacity between the final customer’s workstation and the interconnection point, or POP (as defined below) of an alternative operator which wants to offer broadband services to its final customers.
“bps”	Bits per second.
“landline broadband”	A connection to exchange data at higher speeds than through narrowband dial-up analog lines. The most common broadband technologies are cable modems (up to 3 Mbps), DSL (up to 8 Mbps), satellite (up to 10 Mbps), wireless (up to 1.54 Mbps) and optical fiber (up to 155 Mbps).
“byte”	A sequence of usually eight bits (enough to represent one character of alphanumeric data) processed by a computer as a single unit of information.
“capacity”	The amount of bandwidth or throughput that can be handled by a network element.
“churn”	A telecom industry measure of the number or proportion of subscribers that disconnected from a telecommunications provider’s service over a period of time. See “ <i>Presentation of Financial and</i>

Other Data—Market, Economic and Subscriber Data” for an explanation of the Company’s calculation methodology for mobile prepaid and postpaid subscriber churn.

“CompCo”	The Swiss Competition Authority (<i>Wettbewerbskommission</i>) established by the Federal Act on Cartels and other Restraints of Competition of 6 October 1995. Also known as “WEKO.”
“ComCom”	The Federal Communications Commission of Switzerland (<i>Die Eidgenössische Kommunikationskommission</i>) established by the Swiss Telecommunications Act.
“digital”	A signaling technology in which a signal is encoded into digits for transmission.
“DSL”	Digital Subscriber Line, a technology enabling a local loop copper pair to transport high-speed data between a central office and the subscribers’ premises.
“EDGE”	Enhanced Data rates for GSM Evolution; effectively, the latest stage in the evolution of the GSM standard, EDGE uses a new modulation scheme to enable theoretical data speeds of up to 384 Kbps within the existing GSM spectrum.
“fiber-optic cable”	A transmission medium comprised of extremely pure and uniform glass. Digital signals are transmitted across fiber-optic cable as pulses of light. While signals transmitted over fiber-optic cable travel at the same speed as those transmitted over traditional copper cable, fiber-optic cable benefits from greater transmission capacity and lower distortion of signals transmitted.
“FTTH”	Fiber-to-the-home, the fiber-optic technology linking residential customers directly to the fiber network.
“frequency”	The rate at which an electrical current alternates, usually measured in Hertz (Hz). Also the way to note a description of a general location on the radio frequency spectrum such as 800 MHz, 900 MHz or 2100 MHz.
“General Packet Radio Services” or “GPRS”	A packet-based telecommunications service designed to send and receive data at rates from 56 Kbps to 114 Kbps that allows continuous connection to the internet for mobile phone and computer users. GPRS is a specification for data transfer over GSM networks.
“Global System for Mobile Communications” or “GSM”	A comprehensive digital network for the operation of all aspects of a cellular telephone system.
“Hertz”	A unit of frequency of one cycle per second.
“HSPA”	High-Speed Packet Access. A 3G mobile telephone protocol that allows networks based on Universal Mobile Telecommunications System to have higher data transfer speeds and capacity.
“HSPA+”	Evolved High-Speed Packet Access. A 3G mobile telephone protocol based on HSPA but allowing for higher data transfer speeds and capacity.
“interconnection”	The way in which networks are connected to each other and the charges payable by one network operation for accepting traffic from or delivering traffic to another.
“Internet Protocol” or “IP”	A standard procedure whereby internet-user data is divided into packets to be sent onto the correct network pathway. In addition, IP gives each packet an assigned number so that the message completion

can be verified. Before packets are delivered to their destination, the protocol carries out unifying procedures so that they are delivered in their original form.

“IPTV”	Internet Protocol Television. IPTV delivers scheduled television programs and video-on-demand (VOD) via the IP protocol and digital streaming techniques used to watch video on the internet.
“landline”	A physical line connecting the subscriber to the telephone exchange. In addition, landline includes fixed wireless systems, in which the users are in fixed locations using a wireless connection (<i>e.g.</i> cordless telephones) to the telephone exchange.
“landline broadband”	High data rate internet access services typically transmitted over copper wires, cable or fiber networks.
“leased line”	Voice or data circuits leased to connect two or more locations for the exclusive use of the subscriber.
“LTE”	3GPP Long Term Evolution, a mobile data transmission technology that generally provides for faster transmission than 3G.
“MHz”	Megahertz; a unit of frequency equal to 1 million Hertz.
“MMS”	Multimedia Messaging Service. An evolution of SMS that enables users to send multimedia content including images, audio and video clips to other users.
“mobile network operator,” or “MNO”	A company that has frequency allocations and all the required infrastructure to run an independent mobile network, as opposed to an MVNO.
“mobile termination rates” or “MTRs”	The tariff chargeable by operators for terminating calls on their mobile networks. See “ <i>Regulation.</i> ”
“mobile virtual network operator” or “MVNO”	A mobile operator that does not own its own spectrum and usually does not have its own network infrastructure. Instead, MVNOs have business arrangements with traditional mobile operators to buy minutes of use for sale to their own subscribers.
“MPLS”	Multi Protocol Label Switching, is a method used to speed up data communication over combined IP/ATM networks.
“narrowband”	Telecommunications that carry voice information in a narrow band of frequency, also referred to as “dial-up” or analog services.
“network”	An interconnected collection of telecom components consisting of switches connect to each other and to customer equipment by real or virtual transmission links. Transmission links may be based on fiber-optic or metallic cable or point-to-point radio connections.
“number portability”	A facility provided by telecommunications operators that enables customers to keep their full telephone numbers when they change operators.
“OFCOM”	The Swiss Federal Office of Communications, also referred to as “BAKOM.”
“off-network”	Telephone calls that are not on-network (as described below) calls.
“on-network”	Telephone calls that stay on a private network, travelling by private line from beginning to end without interconnecting with another network.
“operator”	A term for any company engaged in the business of building and running its own network facilities.

“penetration”	A measurement, usually as a percentage, of the take-up of telecommunication services. Penetration is typically calculated by dividing the number of subscribers or lines by either the number of households or the population to which the service is available. See “ <i>Presentation of Financial and Other Data—Market, Economic and Subscriber Data; Market Share Data</i> ” for an explanation of the Company’s calculation of penetration rates.
“postpaid”	Mobile subscriptions paid for on a recurring basis and requiring customers to remain subscribers for a specified duration.
“prepaid”	Mobile subscriptions requiring customers to pay for usage credit in advance without any durational commitment.
“quadruple-play”	Bundling of fixed-mobile (retail voice, landline internet and mobile services) with TV services.
“reseller” / “wholesale reseller”	A company that partners with us to resell or market our mobile services in connection with its brand, resulting in direct contracts between the customers and us.
“SMS”	Short Message Service; a text message service which enables users to send short messages (160 characters or less) to other users.
“spectrum”	A continuous range of frequencies, usually wide in extent within which waves have some certain common characteristics.
“subscriber”	A person who is party to a contract with the provider of publicly available telecommunication services for the supply of such services. See “ <i>Presentation of Financial and Other Data—Market, Economic and Subscriber Data; Market Share Data</i> ” for an explanation of the Company’s calculation of its relevant subscriber bases.
“Subscriber Identity Module cards” or “SIM cards”	Cards that contain a smart chip with memory that allows for data storage and software applications.
“Swiss Cartel Act”	Federal Act on Cartels and other Restraints of Competition of 6 October 1995.
“Swiss Telecommunications Act”	The Swiss Federal Telecommunications Act of 30 April 1997.
“triple-play”	Bundling of mobile with fixed voice and landline internet services.
“Universal Mobile Telecommunications System” or “UMTS”	A third generation (or 3G) mobile technology
“Value Added Services” or “VAS”	All non-core services provided by an operator that are beyond standard voice calls and transmissions such as e-mail, music downloads, communal gaming and interactive advertising.
“VDSL”	Very-high-bitrate digital subscriber line, a particular DSL implementation that provides for higher bitrates than most ADSL variants.
“VoIP”	A telephone service via internet, or via transmission control/Internet Protocol, which can be accessed using a computer, a sound card, adequate software and a modem.
“WLAN”	Wireless Local Area Network, a type of local-area network in which devices communicate wirelessly.
“xDSL”	A family of technologies, including ADSL and VDSL, that provides digital data transmission over copper wires.

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CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

Amounts in thousands of Swiss Francs	Note	Nine months September 30, 2011	Nine months September 30, 2010
Revenue	2.1	923 207	975 806
Access back bone and interconnection	2.2	(172 331)	(183 922)
Commercial expenses and cost of equipment sold	2.3	(250 040)	(261 407)
Network, IT, property expenses and other purchases	2.4	(128 538)	(150 879)
Labour expenses	2.5	(107 032)	(102 768)
Other operating expenses	2.6	(16 533)	(15 752)
Other operating income	2.7	15 328	14 744
Restructuring and transaction costs	2.8	(1 238)	(8 837)
Corporate and brand fees		(22 435)	(24 707)
Depreciation, amortization and impairment		(145 362)	(141 568)
Operating income		95 026	100 711
Financial expenses	3.1	(14 507)	(15 599)
Financial income	3.2	1 380	2 395
Finance costs, net		(13 127)	(13 204)
Net income before tax		81 899	87 507
Income tax	4	(13)	(7 094)
Net income		81 886	80 413
Net income attributable to equity owners		81 886	80 413

the accompanying notes are an integral part of the consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of Swiss Francs	Nine months September 30, 2011	Nine months September 30, 2010
Net income	81 886	80 413
Gains (losses) on cash flow hedge	1 770	(2 691)
Actuarial gains (losses) on post-employment benefits	(19 081)	(28 198)
Deferred tax on items recognized directly in other comprehensive income	4 837	7 182
Other comprehensive income after tax	(12 474)	(23 707)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	69 412	56 706

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Swiss Francs	Note	September 30, 2011	December 31, 2010
ASSETS			
Non-current assets			
Intangible assets		176 308	195 200
Property, plant and equipment		683 040	701 909
Other non-current assets		6 027	5 782
Deferred tax assets		125 032	120 149
Total non-current assets		990 408	1 023 040
Current assets			
Inventories		17 400	23 072
Trade receivables		304 535	268 459
Other current assets		4 674	6 743
Prepaid expenses		10 764	141
Cash and cash equivalents	6	372 466	274 108
Assets classified as held for sale	5	18 057	—
Total current assets		727 897	572 523
TOTAL ASSETS		1 718 305	1 595 563

the accompanying notes are an integral part of the consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Swiss Francs	Note	September 30, 2011	December 31, 2010
EQUITY AND LIABILITIES			
Equity			
Share capital		400 000	400 000
Share premium		200 000	200 000
Retained earnings		(349 520)	(431 395)
Reserves		(40 169)	(27 695)
Total equity		210 311	140 910
Non-current liabilities			
Financial liabilities at amortized cost, excluding trade payables	8	917 074	917 142
Employee benefits obligations		42 504	23 439
Provisions		78 639	42 986
Deferred tax liabilities		3 598	3 903
Total non-current liabilities		1 041 815	987 470
Current liabilities			
Trade payables	8	398 805	400 514
Financial liabilities at amortized cost, excluding trade payables	8	2 778	2 733
Hedging derivatives liabilities	8	2 844	4 095
Employee benefits obligations		20 114	15 862
Provisions		806	1 052
Other liabilities		17 178	16 969
Deferred income		23 654	25 958
Total current liabilities		466 178	467 183
TOTAL EQUITY AND LIABILITIES		1 718 305	1 595 563

the accompanying notes are an integral part of the consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to equity holders of Orange Switzerland					
	Components of other comprehensive income					
Amounts in thousands of Swiss Francs	Share capital	Share premium	Cash flow hedging reserve	Actuarial gains & losses	Retained earnings	Total equity
Balance at January 1, 2010	400 000	203 617	(1 030)	(8 541)	(230 736)	363 311
Net income after tax					80 413	80 413
Gains (losses) on cash flow hedge			(2 691)			(2 691)
Gains (losses) on financial assets available for sale						—
Actuarial gains and losses on post-employment benefits				(28 198)		(28 198)
Deferred tax on items recognized directly in equity				7 182		7 182
Other comprehensive income			(2 691)	(21 016)		(23 707)
Total comprehensive income for the period			(2 691)	(21 016)	80 413	56 706
Capital increase						
Dividends						
Other movements					156	156
Balance at September 30, 2010	400 000	203 617	(3 721)	(29 557)	(150 167)	420 173
Net income after tax					15 338	15 338
Gains (losses) on cash flow hedge			(474)			(474)
Gains (losses) on financial assets available for sale						—
Actuarial gains and losses on post-employment benefits				8 106		8 106
Deferred tax on items recognized directly in equity				(2 050)		(2 050)
Other comprehensive income			(474)	6 056		5 582
Total comprehensive income for the period			(474)	6 056	15 338	20 920
Capital increase						
Dividends		(3 617)			(296 383)	(300 000)
Other movements					(183)	(183)
Balance at December 31, 2010	400 000	200 000	(4 195)	(23 500)	(431 395)	140 910
Net income after tax					81 886	81 886
Gains (losses) on cash flow hedge			1 770			1 770
Gains (losses) on financial assets available for sale						—
Post-empl benefits, actuarial G/L, reserves				(19 081)		(19 081)
Deferred tax on items recognized directly in equity				4 837		4 837
Other comprehensive income			1 770	(14 244)		(12 474)
Total comprehensive income for the period			1 770	(14 244)	81 886	69 412
Capital increase						
Dividends						—
Other movements					(11)	(11)
Balance at September 30, 2011	400 000	200 000	(2 425)	(37 744)	(349 520)	210 311

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in thousands of Swiss Francs	Note	Nine months September 30, 2011	Nine months September 30, 2010
OPERATING ACTIVITIES			
Net income		81 886	80 413
Adjustments to reconcile net income/(loss) to funds generated from operations			
Depreciation and amortization		144 757	140 109
Impairment of non-current assets		605	1 459
Change in other provisions		(278)	3 721
Income tax recognized in the P&L	4	13	7 094
Interest income and expense, net		12 581	13 074
Foreign exchange gains and losses, net		657	393
Derivatives		236	56
Change in inventories, trade receivables and trade payables			
Decrease/(increase) in inventories		5 672	17 099
Decrease/(increase) in trade receivables		(35 816)	10 724
Increase/(decrease) in trade payables		3 852	(564)
Other changes in working capital requirements			
Decrease/(increase) in other receivables		(8 799)	12 330
Increase/(decrease) in other payables		2 156	5 350
Other net cash out			
Interest income received		140	1 072
Interest paid and interest rates effects on derivatives, net		(12 638)	(14 865)
Income tax paid	4	(365)	(404)
Net cash provided by operating activities		194 660	277 060
INVESTING ACTIVITIES			
Purchases/sales of property, plant and equipment and intangible assets			
Purchases of property, plant and equipment and intangible assets		(89 913)	(93 758)
Increase/(decrease) in amounts due to fixed asset suppliers		(5 665)	(18 009)
Net cash used in investing activities		(95 577)	(111 767)
FINANCING ACTIVITIES			
Redemptions and repayments Long-term debt		(68)	(179)
Net cash used in financing activities		(68)	(179)
Net change in cash and cash equivalents		99 015	165 114
Cash and cash equivalents at beginning of period	6	274 108	404 536
Effect of exchange rates changes on cash and cash equivalents		(657)	(393)
Net change in cash and cash equivalents		99 015	165 114
Cash and cash equivalents at end of period	6	372 466	569 257

the accompanying notes are an integral part of the consolidated financial statements

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—BASIS OF PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Description of the business and purpose of preparation

Orange Communications SA was incorporated on January 20, 1998 in Lausanne, Switzerland.

The company and its subsidiaries (hereafter called “Orange Switzerland” or “the Group”) provide consumers, businesses and other telecommunications operators with a wide range of services including mobile telecommunications, data transmission, Internet and other value-added services.

The Group is fully owned by France Telecom Group.

The Group consists of the following entities (no change in perimeter through the periods presented):

Legal entity	Country of incorporation	Equity interest	Nature of business
Orange Communications SA (« OCH »)	Switzerland	Parent company	Communications
Orange Network SA (« ONW »)	Switzerland	100%	Investments in Communications
Orange Liechtenstein AG (« OFL »)	Liechtenstein	100%	Communications

These condensed interim consolidated financial statements as at and for the nine-month period ended September 30, 2011 were authorised for issue by Management of Orange Switzerland on November 22, 2011. The Board of Directors has the power to amend the financial statements.

Basis of preparation

These consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by International Accounting Standards Board (IASB) and using the same accounting policies as those applied by the Group in its consolidated financial statements for the year ended December 31, 2010.

The revised standards and amendments (mainly revised IAS 24 “Related Parties” and the improvements to IFRSs), which are effective for annual periods starting as from January 1st, 2011, have no significant impact on the condensed interim consolidated financial statements.

The Group has not adopted earlier any IFRS published by the IASB, which is not effective yet. New standards and interpretations issued but not yet effective are the following:

- IFRS 7 (amendment) Disclosures—Transfers of financial assets;
- IFRS 9 Financial instruments;
- IFRS 10 Consolidated financial statements;
- IFRS 11 Joint arrangements;
- IFRS 12 Disclosures of interests in other entities;
- IFRS 13 Fair value measurement;
- IAS 1 (amendment) Presentation of financial statements—Presentation of items of other comprehensive income;
- IAS 12 (amendment) Income taxes—Recovery of underlying assets;
- IAS 19 (amendment) Employee benefits;
- IAS 27 (revised) Separate financial statements; and
- IAS 28 (revised) Investments in associates and joint ventures.

The condensed interim consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue its operations under the scope as defined above.

NOTE 1—BASIS OF PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Use of estimates and judgements

In preparing the condensed interim consolidated financial statements, the Group's management makes estimates, judgements and assumptions, insofar as many elements included in the financial statements cannot be measured with precision. These estimates and underlying assumptions are revised if the underlying circumstances evolve or in light of new information or experience. Consequently, estimates made may subsequently be changed.

The underlying assumptions used for the main estimates in preparing the condensed interim consolidated financial statements are similar to those described in the consolidated financial statements for the year ended December 31, 2010, except for the approach and underlying assumptions used for calculating the provisions for dismantling and restoring sites, which were revised during the period. Property, plant and equipment and provisions increase for an amount of 26 million Swiss Francs as a result of this revision.

NOTE 2—REVENUE, OPERATING INCOME AND EXPENSES

2.1 Revenue

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Network	823,419	857,170
Equipment	65,026	76,990
Other mobile services	28,503	35,223
Fixed line home	3,497	4,205
Fixed line enterprise	2,762	2,218
Total Revenue	923,207	975,806

2.2 Access back bone and interconnection

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Interconnection costs	(151,364)	(164,036)
Transmission leased lines	(15,634)	(14,826)
Fixed network costs	(5,333)	(5,060)
Total access back bone and interconnection	(172,331)	(183,922)

2.3 Commercial expenses and cost of equipment sold

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Cost of equipment sold	(136,220)	(133,472)
Commercial expenses	(113,820)	(127,935)
Total commercial expenses and cost of equipment sold	(250,040)	(261,407)

2.4 Network, IT, property expenses and other purchases

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Network and IT charges	(44,793)	(58,287)
Property expenses	(42,607)	(47,632)
Subcontracting and professional services	(19,902)	(22,668)
Content costs	(5,192)	(5,804)
Other purchases	(16,044)	(16,488)
Total network, IT, property expenses and other purchases	(128,538)	(150,879)

NOTE 2—REVENUE, OPERATING INCOME AND EXPENSES (Continued)**2.5 Labour expenses**

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Average number of employees (full-time equivalents)	1,192	1,179
Wages and employee benefit expenses, of which		
—Salaries and wages	(91,165)	(87,540)
—Social contributions, excluding retirement	(5,513)	(5,780)
—Individual incentive/bonus plans	(13,231)	(13,886)
—Own work capitalised—Labour	12,811	13,348
—Post-employed benefits	(10,173)	(9,443)
—Other	239	533
Total labour expenses	(107,032)	(102,768)

2.6 Other operating expenses

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Customer bad debt written-off	(6,916)	(7,354)
Spectrum fees	(7,474)	(5,030)
Other (1)	(2,143)	(3,368)
Total other operating expenses	(16,533)	(15,752)

(1) Other operating expenses mainly include capital investment taxes.

2.7 Other operating income

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Net foreign gain exchange on trade payables and receivables	5,137	2,360
Other (1)	10,191	12,384
Total other operating income	15,328	14,744

(1) Other operating income mainly includes costs recharged to affiliated companies of France Telecom Group for services delivered by the Group.

2.8 Restructuring and transaction costs

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Restructuring costs	(1,238)	(4,562)
Transaction costs (1)	—	(4,275)
Total restructuring and transaction costs	(1,238)	(8,837)

(1) Related to the tentative acquisition of Sunrise conducted in 2010.

NOTE 3—FINANCIAL INCOME AND EXPENSES**3.1 Financial expenses**

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Interests on loan from shareholder	(12,966)	(14,797)
Foreign exchange losses on financial assets & liabilities	(661)	(399)
Other	(880)	(403)
Total financial expenses	(14,507)	(15,599)

NOTE 3—FINANCIAL INCOME AND EXPENSES (Continued)**3.2 Financial income**

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Expected return on defined benefit plan assets net of pension liability		
interest cost	932	1,054
Interests on cash and other deposits	165	1,072
Other	283	269
Total financial income	1,380	2,395

NOTE 4—INCOME TAX

The income tax expense comprises:

(in thousands of Swiss Francs)	Nine months 30.Sep.11	Nine months 30.Sep.10
Total tax expense	(13)	(7 094)
—Current tax expense in respect of the current period	(365)	(404)
—Deferred tax income / (expense)	352	(6 690)

NOTE 5—ASSETS CLASSIFIED AS HELD FOR SALE

(in thousands of Swiss Francs)	30.Sep.11	31.Dec.10
Building	14,113	—
Parking	3,944	—
Total assets classified as held for sale	18,057	—

The Board of Directors has through circular resolution dated July 31, 2011, decided on the sale of the real estate in Biel.

The real estate to be sold consists of (i) the office building currently used by OCH, (ii) a parking surface and (iii) a purchase option for a plot of land.

NOTE 6—CASH & CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and the cash pool with France Telecom SA in current account, net of outstanding bank overdrafts.

Cash and cash equivalents at the end of the periods presented are as follows:

(in thousands of Swiss Francs)	30.Sep.11	31.Dec.10
Cash & bank balances	15 208	6 541
Cash pool France Telecom SA	357 258	267 567
Total cash and cash equivalents—assets	372 466	274 108
Bank overdraft	—	—
Cash and cash equivalents net	372 466	274 108

NOTE 7—EQUITY

No dividend was decided to be distributed during the nine-month period ended September 30, 2011.

NOTE 8—FINANCIAL LIABILITIES

(in thousands of Swiss Francs)	30.Sep.11			31.Dec.10		
	Current	Non-Current	Total	Current	Non-Current	Total
Payables to suppliers	398,805	—	398,805	400,514	—	400,514
Trade payables	349,598	—	349,598	346,141	—	346,141
Fixed assets payables	48,708	—	48,708	54,373	—	54,373
Others	499	—	499	—	—	—
Financial liabilities at amortized cost	2,778	917,074	919,852	2,733	917,142	919,875
Shareholders loan	2,778	917,000	919,778	2,733	917,000	919,733
Capital lease	—	74	74	—	142	142
Hedging derivatives (liabilities)	2,844	—	2,844	4,095	—	4,095
Total financial liabilities	404,427	917,074	1,321,501	407,342	917,142	1,324,484

Non-current shareholder's loan consists of two loans to Seller (ASB):

- A CHF480 million loan was granted in December 2007 and is to be repaid in fine on December 20, 2017. This loan bears interests at a rate of CHF LIBOR 3M + 120 bp per annum, which are due for payment on a quarterly basis;
- A CHF437 million was granted in October 2008 and is to be repaid in fine on October 2nd, 2018. This loan bears interests at a rate of CHF LIBOR 3M + 220 bp per annum, which are due for payment on a quarterly basis.

NOTE 9—LITIGATION

On April 11, 2011, the Federal Court has rejected the appeal of the Swiss Competition Commission (WEKO) and has in particular contested the abuse of a dominant position of the major telecom operators in Switzerland, including the group. The Federal Court finally revoked the fine of 333 million Swiss Francs to Swisscom. With this final decision on the litigations related to the period prior to May 31, 2005 the Group expects that the WEKO closes the investigation with regards to the period subsequent to May 31, 2005.

Considering the first and second judgments by the Federal Administrative Court, no provision has been recorded in the present condensed interim consolidated financial statements in connexion with the above listed investigations conducted by the WEKO.

NOTE 10—SUBSEQUENT EVENTS

No significant subsequent event has occurred.

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Independent auditor's report

To the Management of
Orange Communications SA, Renens

In accordance with the mandate described in our engagement letter dated October 28, 2011, we have audited the accompanying consolidated financial statements of Orange Communications SA, which comprise the consolidated statements of financial position, income and other comprehensive income, statements of changes in equity, statements of cash flows and notes for the years ended December 31, 2010 and December 31, 2009.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Management is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 management, as well as evaluating 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.

Opinion

In our opinion, the consolidated financial statements of Orange Communications SA for the years ended December 31, 2010 and December 31, 2009 give a true and fair view of the financial position, the result of operations and the cash flows in accordance with IFRS.

Deloitte SA

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Annik Jatón Hüni
Licensed Audit Expert
Auditor in Charge

A stylized, handwritten signature in black ink, featuring a large, looped 'S' followed by a horizontal line.

Steve Rigolet
Licensed Audit Expert

Lausanne, November 7, 2011

Enclosures

Consolidated financial statements (consolidated statements of financial position, income and other comprehensive income, statement of changes in equity, statements of cash flows and notes)

CONSOLIDATED INCOME STATEMENT

Amounts in thousands of Swiss Francs	Note	December 31, 2010	December 31, 2009
Revenue	3.1	1,295,453	1,295,741
Access back bone and interconnection	3.2	(239,586)	(239,582)
Commercial expenses and cost of equipment sold	3.3	(370,586)	(359,614)
Network, IT, property expenses and other purchases	3.4	(197,300)	(193,519)
Labour expenses	3.5	(137,572)	(140,739)
Other operating expenses	3.6	(18,510)	(28,362)
Other operating income	3.7	19,664	18,913
Restructuring and transaction costs	3.8	(6,944)	(1,291)
Corporate and brand fees	22	(31,060)	(33,326)
Depreciation, amortization and impairment	6,7	(185,244)	(215,313)
Operating income		128,316	102,908
Financial expenses	4.1	(20,197)	(23,003)
Financial income	4.2	4,016	3,949
Finance costs, net		(16,181)	(19,054)
Net income before tax		112,135	83,854
Income tax	5	(16,384)	(2,602)
Net income		95,751	81,252
Net income attributable to equity owners		95,751	81,252

the accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of Swiss Francs	Note	December 31, 2010	December 31, 2009
Net income		95,751	81,252
Gains (losses) on cash flow hedge	19.2	(3,165)	2,240
Actuarial gains (losses) on post-employment benefits	16	(20,092)	13,285
Deferred tax on items recognized directly in other comprehensive income	5	5,132	(3,393)
Other comprehensive income after tax		(18,125)	12,132
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		77,626	93,384

the accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Swiss Francs	Note	December 31, 2010	December 31, 2009
ASSETS			
Non-current assets			
Intangible assets	6	195,200	211,458
Property, plant and equipment	7	701,909	720,093
Other non-current assets	8	5,782	5,467
Deferred tax assets	5	120,149	129,234
Total non-current assets		1,023,040	1,066,252
Current assets			
Inventories	9	23,072	28,908
Trade receivables	10	268,459	312,286
Other current assets	11.1	6,743	8,106
Prepaid expenses	11.2	141	17,564
Cash and cash equivalents	12	274,108	404,610
Total current assets		572,523	771,474
TOTAL ASSETS		1,595,563	1,837,726

the accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Swiss Francs	Note	December 31, 2010	December 31, 2009
EQUITY AND LIABILITIES			
Equity			
Share capital	13	400,000	400,000
Share premium		200,000	203,617
Retained earnings		(431,395)	(230,736)
Reserves	13	(27,695)	(9,571)
Total equity		140,910	363,311
Non-current liabilities			
Financial liabilities at amortized cost, excluding trade payables	14	917,142	917,374
Employee benefit obligations	16	23,439	2,356
Provisions	17	42,986	41,372
Deferred tax liabilities	5	3,903	2,234
Total non-current liabilities		987,470	963,336
Current liabilities			
Trade payables	14	400,514	452,925
Financial liabilities at amortized cost, excluding trade payables	14	2,733	2,987
Hedging derivatives liabilities	14, 15	4,095	1,033
Employee benefit obligations		15,862	15,849
Provisions	17	1,052	1,354
Other liabilities	18.1	16,969	14,800
Deferred income	18.2	25,958	22,131
Total current liabilities		467,183	511,079
TOTAL EQUITY AND LIABILITIES		1,595,563	1,837,726

the accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Attributable to equity holders of Orange Switzerland					
		Components of other comprehensive income					
(Amounts in thousands of Swiss Francs)	Note	Share capital	Share premium	Cash flow hedging reserve	Actuarial gains & losses	Retained earnings	Total equity
Balance at January 1, 2009		400,000	203,617	(3,270)	(18,433)	(311,988)	269,926
Net income after tax						81,252	81,252
Foreign exchange gains (losses) on cash flow hedges	19.2			2,240			2,240
Gains (losses) on financial assets available for sale							—
Actuarial gains and losses on post-employment benefits	16				13,285		13,285
Deferred tax on items recognized directly in equity	5				(3,393)		(3,393)
Other comprehensive income				2,240	9,892		12,132
Total comprehensive income for the year				2,240	9,892	81,252	93,384
Capital increase							
Dividends							—
Other movements							—
Balance at December 31, 2009		400,000	203,617	(1,030)	(8,541)	(230,736)	363,311
Net income after tax						95,751	95,751
Foreign exchange gains (losses) on cash flow hedges	19.2			(3,165)			(3,165)
Gains (losses) on financial assets available for sale							—
Actuarial gains and losses on post-employment benefits	16				(20,092)		(20,092)
Deferred tax on items recognized directly in equity	5				5,132		5,132
Other comprehensive income				(3,165)	(14,960)		(18,125)
Total comprehensive income for the year				(3,165)	(14,960)	95,751	77,626
Capital increase							
Dividends	13		(3,617)			(296,383)	(300,000)
Other movements						(27)	(27)
Balance at December 31, 2010		400,000	200,000	(4,195)	(23,500)	(431,395)	140,910

the accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in thousands of Swiss Francs	Note	Year ended December 31, 2010	Year ended December 31, 2009
OPERATING ACTIVITIES			
Net income		95,751	81,252
Adjustments to reconcile net income/(loss) to funds generated from operations			
Depreciation and amortization	6,7	183,317	214,802
Impairment of non-current assets	6,7	1,927	511
Change in other provisions	17	(3,604)	2,871
Income tax recognized in the P&L	5	16,384	2,602
Interest income and expense, net		17,276	20,117
Foreign exchange gains and losses, net		(590)	(434)
Derivatives		(437)	(629)
Change in inventories, trade receivables and trade payables			
Decrease/(increase) in inventories	9	7,336	(12,420)
Decrease/(increase) in trade receivables	10	45,670	(56,212)
Increase/(decrease) in trade payables	14	(41,803)	108,825
Other changes in working capital requirements			
Decrease/(increase) in other receivables		18,444	2,054
Increase/(decrease) in other payables		6,009	(6,432)
Other net cash out			
Interest income received		1,483	1,522
Interest paid and interest rates effects on derivatives, net		(19,213)	(24,846)
Income tax paid	5	(498)	(269)
Net cash provided by operating activities		327,452	333,314
INVESTING ACTIVITIES			
Purchases/sales of property, plant and equipment and intangible assets			
Purchases of property, plant and equipment and intangible assets	6,7	(147,720)	(124,625)
Increase/(decrease) in amounts due to fixed asset suppliers	14	(10,518)	(9,446)
Cash paid for investment securities, net of cash acquired		—	(1,281)
Net cash used in investing activities		(158,238)	(135,352)
FINANCING ACTIVITIES			
Redemptions and repayments			
Long-term debt		(232)	(388)
Other changes			
Dividends paid	13	(300,000)	—
Net cash used in financing activities		(300,232)	(388)
Net change in cash and cash equivalents		(131,018)	197,574
Cash and cash equivalents at beginning of period	12	404,536	206,528
Effect of exchange rates changes on cash and cash equivalents		590	434
Net change in cash and cash equivalents		(131,018)	197,574
Cash and cash equivalents at end of period	12	274,108	404,536

the accompanying notes are an integral part of the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Description of the business and purpose of preparation

Orange Communications SA was incorporated on January 20, 1998 in Lausanne, Switzerland.

The company and its subsidiaries (hereafter called “Orange Switzerland” or “the Group”) provide consumers, businesses and other telecommunications operators with a wide range of services including mobile telecommunications, data transmission, Internet and other value-added services.

The Group is fully owned by France Telecom Group, Paris, which presents its consolidated financial statements in accordance with IFRS. The Group consists of the following entities (no change in perimeter through the periods presented):

Legal entity	Country of incorporation	Equity interest	Nature of business
Orange Communications SA (« OCH »)	Switzerland	Parent company	Communications
Orange Network SA (« ONW »)	Switzerland	100%	Investments in Communications
Orange Liechtenstein AG (« OFL »)	Liechtenstein	100%	Communications

The consolidated financial statements of the Group for the year ended December 31, 2010 and December 31, 2009 were authorised for issue by Management of Orange Switzerland on November 7, 2011. The Board of Directors has the power to amend the financial statements.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by IASB. The Group has been considered as an ongoing IFRS issuer, since Orange Communications SA issued individual financial statements in accordance with IFRS until December 31, 2007, as well as consolidated financial statements as at December 31, 2008.

The Group has not adopted earlier any IFRS published by the International Accounting Standard Board (“IASB”), which is not yet effective. New standards and interpretations issued but not yet effective are the following:

- IFRS 7 (amendment) Disclosures—Transfers of financial assets
- IFRS 9 Financial Instruments
- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosures of interests in other entities
- IFRS 13 Fair value measurement
- IAS 1 (amendment) Presentation of financial statements—Presentation of items of other comprehensive income
- IAS 12 (amendment) Income taxes—Recovery of underlying assets
- IAS 19 (amendment) Employee benefits
- IAS 27 (revised) Separate financial statements
- IAS 28 (revised) Investments in associates and joint ventures

The financial statements have been prepared on the assumption that the Group is a going concern and will continue its operations under the scope as defined above.

Use of estimates and judgements

In preparing the Group financial statements, the Group’s management makes estimates, judgements and assumptions, insofar as many elements included in the financial statements cannot be measured with precision.

NOTE 1—BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

These estimates and underlying assumptions are revised if the underlying circumstances evolve or in light of new information or experience. Consequently, estimates made at December 31, 2010 may subsequently be changed. The underlying assumptions used for significant estimates are as follows:

		Nature of estimate and judgement
Note 2.4	Revenues	Allocation of each separable component of a bundled offer based on the relative fair value of the individual components Straight-line recognition of revenue relating to invoiced service access fees depending on the nature of product and historical contractual relationship Reporting of revenue on a net versus gross basis (depending on an analysis of the Group's involvement as either principal or agent)
Note 2.9	Impairment	Key assumptions used to determine recoverable amounts: value in use (discount rate, perpetual growth rate, expected cash flows), market value (revenue and EBITDA multiples for comparable companies or transactions, cash flows) Assessment of economic and financial environment
Note 5	Income tax	Assumptions used for recognition of deferred tax assets arising from the carry forward of unused tax losses and consequences of changes in tax laws
Notes 2.7 and 2.8	Purchases of property, plant and equipment, intangible assets other than goodwill	Determination of the useful life of the assets based on a assessment of the technological, legal or economic environments
Note 16	Employee benefits	Discount rate, inflation rate, return rate on plan assets, salary increases, mortality table
Note 2.13	Provisions	Provisions for termination benefits and restructuring: discount rate, plan success rate Provisions for claims and litigation: assumptions underlying risk assessment and measurement Provisions for dismantling: churn rate, discount rate, residual antenna useful life and restoring cost
Note 2.15	Share-based payments	Model, assumptions underlying the measurement of fair values: share price of underlying item on grant date, volatility

NOTE 2—ACCOUNTING POLICIES

This note describes the accounting policies applied to prepare the consolidated financial statements for the years ended December 31, 2010 and December 31, 2009. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

2.1 Presentation of the consolidated financial statements

Consolidated income statement

Expenses are presented in the income statement based on their nature.

Operating income corresponds to net income before:

- financial income;
- finance costs;
- income tax (current and deferred taxes).

NOTE 2—ACCOUNTING POLICIES (Continued)

Statement of comprehensive income

This statement reconciles the consolidated net income to the comprehensive income for the period. It presents other items of income and expense before tax (“components of other comprehensive income”) which are not recognized in consolidated net income for the period:

- remeasurement of actuarial gains or losses on defined benefit plans;
- remeasurement of cash flow hedge instruments;
- total amount of tax relating to the above items.

Consolidated statement of financial position

Current and non-current items are presented separately in the statement of financial position: assets and liabilities with a term of no more than twelve months are classified as current, whereas assets and liabilities with a term of more than twelve months are classified as non-current.

Consolidated statement of cash flows

The statement of cash flows is reported using the indirect method from the consolidated net income and is broken down into three categories:

- cash flows arising from operating activities;
- cash flows arising from investing activities;
- cash flows arising from financing activities.

Financial interests and income taxes are included in the cash flows arising from operating activities.

On acquisition date, a finance lease has no effect on cash flows since the transaction is non-monetary. Besides, lease payments over the financing period are broken down between interest (cash flows from operating activities) and reimbursement of principal amount (cash flows arising from financing activities).

2.2 Basis of consolidation

Subsidiaries that are controlled exclusively by the Group, directly or indirectly, are fully consolidated. Control is deemed to exist when the Group owns more than 50% of the voting rights of an entity, or has power:

- over more than one half of the voting rights of the other entity by virtue of an agreement;
- to govern the financial and operating policies of the other entity under a statute or agreement;
- to appoint or remove the majority of the Members of the Board of Directors or equivalent governing body of the other entity; or
- to cast the majority of votes at meetings of the Board of Directors or equivalent governing body of the other entity.

Intragroup transactions and balances are eliminated in consolidation.

NOTE 2—ACCOUNTING POLICIES (Continued)

2.3 Effect of changes in foreign exchange rates

Functional and presentation currency

The Swiss Franc is the functional currency of all entities within the Group and is the Group's presentation currency.

Transactions in foreign currencies

Transactions in foreign currencies are converted into the entities' functional currency at the exchange rate of the transaction date. Monetary assets and liabilities are remeasured at the exchange rate of the end of each reporting period and the resulting translation differences are recorded in the income statement:

- in operating income for commercial transactions;
- in finance income or finance costs for financial transactions.

Both for transactions qualifying for hedge accounting and for transactions qualifying for economic hedge, the change in fair value of derivatives that can be attributed to changes in exchange rate is recorded in operating income when the underlying hedged item is a trade commercial transaction and in finance income when the underlying hedged item is a receivable or a financial liability. As the hedged item is not recognized in the statement of financial position in the context of a cash flow hedge of a highly probable forecast transaction, the effective portion of change in fair value of the hedging instrument is recorded in other comprehensive income and reclassified in:

- profit or loss in accordance with the precedent method with respect to financial assets and liabilities;
- the initial cost of the hedged item with respect to the non-financial assets and liabilities.

2.4 Revenue

Revenue from the Group activities is measured and accounted for in accordance with IAS 18 "Revenue".

Separable components of bundled offers

Numerous packages offered by the Group include two components: equipment (e.g. a mobile handset) and service (e.g. a talk plan). As far as a sale with multiple products or services is concerned, the Group analyses all deliverables in the arrangement to determine whether they represent separate units of accounting. A component (product or service) is considered to be a separate unit of accounting if (i) it has a standalone value to the customer and (ii) there is objective and reliable evidence of the fair value of the undelivered component(s).

The fixed or determinable total amount in the arrangement is allocated to the components based on their relative fair value. However, when an amount allocated to a delivered component is contingent upon the delivery of additional components or the satisfaction of specific performance conditions, the amount allocated to that delivered component is limited to the non contingent amount. The case arises in the mobile business for sales of bundled offers including a handset and a telecommunication access service. The handset is considered to have a standalone value to the customer, and there is objective and reliable evidence of fair value for the telecommunication access service to be delivered. As the amount that could be allocated to the handset generally exceeds the amount to be received from the customer at the date the handset is delivered, revenue recognized from the sale of the handset is generally limited to the amount in the arrangement that is not contingent upon the rendering of access services, i.e. the amount paid by the customer for the handset.

For offers that cannot be separated in identifiable components, revenues are recognized in full over the life of the contract. Main example relates to connection service. Connection service is not a component, which can be separated from the subscription and communication; therefore connection fees are recognized over the expected average life of the contractual relationship.

NOTE 2—ACCOUNTING POLICIES (Continued)

Equipment sales

Revenue from equipment sales is recognized when the significant risks and rewards of ownership are transferred to the customer.

When a sale of equipment, which is associated to the subscription of telecommunication access services, is performed by a third-party retailer who purchases it from the Group and receives a commission for signing up the customer, the related revenue is:

- recognized when the equipment is sold to the end-customer;
- estimated by the Group taking into account the best estimate of the retail price and any subsidies granted to the retailer at the time of the sale and passed on to the end-customer in the form of a discount to the equipment price.

Equipment rentals

In accordance with IFRIC 4 “Determining Whether an Arrangement Contains a Lease”, equipment for which a right of use is granted is analyzed in accordance with IAS 17 “Leases”.

Revenue from equipment lease is recognized on a straight-line basis over the life of the lease agreement, except when the lease is determined to be a finance lease; in such a case, equipment is then considered sold with deferred payment terms.

Content sales

The accounting for revenue sharing arrangements and supply of contents depends on the analysis of the facts and circumstances surrounding these transactions. Thus, an analysis is performed using the following criteria to determine whether the revenue is recognized on:

- a gross basis when the Group:
 - is the primary obligor in the arrangement;
 - bears inventory risk;
 - has a reasonable latitude in establishing price with the end-customer;
 - bears the customer’s credit risk.
- a net basis when:
 - the service provider is responsible for the service and for establishing the price to be paid by the subscriber;
 - the service provider is responsible for supplying the content to the end-customer and for establishing the retail price.

Service sales

Revenue from telecommunication and Internet access subscription fees, including those from wholesale, is recognized on a straight-line basis over the subscription period.

Revenues from incoming and outgoing telephone calls, including those from the wholesale of traffic data, are recognized when the service is rendered.

Revenues from the sale of transmission capacity through cables as well as those from local loop unbundling are recognized on a straight-line basis over the life of the contract.

Revenues from Internet advertising are recognized over the period during which the advertisement is displayed.

NOTE 2—ACCOUNTING POLICIES (Continued)

Promotional offers

Revenues are stated net of discounts. Certain commercial offers include a free service over a certain period (time-based incentives) when the customer commits to a fixed period contract. In such circumstances the total revenue generated under the contract is spread over the fixed and non-cancellable contract period.

Customized contracts

The Group offers customized solutions, in particular to its business customers. The related contracts are analyzed as multiple-element transactions (including management of the telecommunication network, access, voice and data transmission and migration). The commercial discounts granted under these contracts, if certain conditions are fulfilled, are recorded as a deduction from revenue based on the specific terms of each contract. Migration costs incurred by the Group under these contracts are recognized in expenses when they are incurred.

2.5 Subscriber acquisition and retention costs, advertising and related cost

Subscriber acquisition and retention costs

Subscriber acquisition and retention costs, other than costs incurred in the context of loyalty programs, are recognized as expense from the period in which they are incurred, i.e. on acquisition or renewal. In some cases, contractual clauses with retailers include a profit-sharing based on revenue recognized and paid: such costs are recognized in profit or loss when the related revenue is recognized.

Loyalty programs

Points awarded to customers are treated as a separable component to be delivered in the transaction that triggered the acquisition of points. Part of the invoiced revenue is allocated to these points based on their fair value taking into account an estimated utilization rate, and deferred until the date on which the points are definitively converted into benefits. Fair value is defined as the excess price over the sales incentive that would be granted to any new customer. This principle is applied for both types of loyalty programs that exist within the Group, those with and those without a contractual renewal obligation.

Advertising and related costs

Advertising, promotion, sponsoring, communication and brand marketing costs are expensed when incurred.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset which requires a substantial period of time to get ready for its intended use or sale.

The network deployment mode—in the Group assessment—does not generally require a substantial period of time.

Consequently, the Group does not capitalize interest expense incurred during the period of construction and acquisition of property, plant and equipment and intangibles.

2.7 Intangible assets

Intangible assets consist mainly of licenses, content rights, indefeasible rights of use, patents, development costs and software.

Gross value

Intangible assets are initially recognized at their acquisition or production cost. When intangible assets are acquired in a business combination, their cost is generally determined in connection with the purchase price allocation based on their respective market value. When their market value is not readily determinable, cost is determined using generally accepted valuation methods based on revenues, costs or other appropriate criteria.

Internally generated trademarks and subscriber bases are not recognized as assets.

NOTE 2—ACCOUNTING POLICIES (Continued)

Library features and distribution rights are recognized at their acquisition cost as intangible assets when the content has been accepted technically and the rights have become valid. Movie co-production rights are accounted for based on the stage of completion of the movie.

Indefeasible Rights of Use (IRUs) acquired by the Group correspond to the right to use cable or capacity transmission cable granted for a fixed period. IRUs are recognized as assets when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibres or dedicated wavelength bandwidth, and the duration of the right corresponds to the major part of the economic life of the underlying asset.

The Group's research and development projects mainly relate to: the upgrade of the network architecture or functionality, and the development of service platforms aimed at offering new services to the Group's customers. These projects generally give rise to the development of software. Development costs are only capitalised when the following conditions are met:

- the intent to complete the intangible asset and use or sell it and the ability of adequate technical and financial resources for this purpose;
- the probability that the intangible asset will generate future economic benefits for the Group; and
- expenditure related to the development of the intangible can be measured reliably.

Depreciation

Intangibles are amortized on straight-line basis over their expected useful life.

Licenses to operate mobile telephone networks are amortized over the license period from the date when the network is technically ready and the service can be marketed. The right to operate a mobile network is recorded in an amount corresponding to the fixed portion of the royalties due when the license was granted. The variable user fee is expensed as incurred.

Network equipment licences and rights are amortized on a straight-line basis over a period of 5-10 years.

Intangible assets related to internal and external software developments are amortized over a period from 3-5 years.

2.8 Property, plant and equipment

Cost

Tangible assets are recognized at their purchase or production cost, which include costs directly attributable to bringing the asset to the location and to a working condition for its intended use. It also includes the initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, representing the obligation incurred by the Group.

The cost of networks includes design and construction costs, as well as costs related to the improvement in equipment and facility capacity.

The total cost of an asset is allocated to its different components. Each component is accounted for separately when the components have different useful lives or when the pattern in which their future economic benefits are expected to be consumed by the entity varies. Depreciation rate and method of such components are different accordingly.

Maintenance and repair costs are recognized in profit or loss as incurred, except where they serve to increase the productivity or useful life of the asset.

NOTE 2—ACCOUNTING POLICIES (Continued)

Finance leases

Assets, of which lease transfers the risks and rewards of ownership to the Group, are recorded as Property Plant & Equipment and an obligation in the same amount is recorded in liabilities. Following are indicators that the risks and rewards of ownership are transferred to the Group:

- The lease transfers ownership of the asset to the lessee at the end of the lease term;
- The Group has the option to purchase the asset and due to the purchase terms transfer of ownership seems highly probable at the inception of the lease;
- Asset is leased over the major part of its estimated useful life;
- The present value of the minimum lease payments estimated at lease inception amounts to at least substantially all of the fair value of the leased asset.

Depreciation

Depreciation is based on the cost of a property, plant and equipment less any residual value and reflects the pattern in which the future economic benefits of the asset are expected to be consumed. Thus, the asset is usually depreciated on the straight-line basis over the following estimated useful lives:

Buildings and leasehold improvements	10 to 30 years
Switching, transmission and other network equipment	5 to 10 years
Cables and civil works	15 to 30 years
Computer hardware	3 to 5 years

These useful lives are reviewed annually and are adjusted if they differ from previous estimates. These changes in accounting estimates are recognized prospectively.

2.9 Impairment of non-current assets

At the end of each reporting period, the Group reviews the carrying amount of its property, plant and equipment and intangible assets with definite useful life to determine whether there is any indication that those assets have suffered an impairment loss.

Indicators of impairment include events or circumstances occurring during the period (such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, a drop in revenues or other external indicators).

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the impairment loss (if any).

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, which is assessed using the discounted cash flows method based on management's best estimate of the set of economic conditions. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of cash-generating units to which the asset belongs to.

The impairment loss recognized is equal to the difference between the net book value and the recoverable amount.

2.10 Financial assets and liabilities

Financial assets and liabilities are recognized initially at fair value. They are subsequently measured either at fair value or amortized cost using the effective interest method depending on the category in which they are classified.

NOTE 2—ACCOUNTING POLICIES (Continued)

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. This calculation includes all fees and points paid or received between parties to the contract.

Recognition and measurement of financial assets

The Group does not hold any financial assets qualifying as held-to-maturity assets.

Available-for-sale assets

Available-for-sale assets consist mainly of shares in non-consolidated companies. They are recognized and subsequently measured at fair value. Fair value corresponds to quoted price for listed securities. For non-listed securities fair value is estimated based on a valuation technique determined according to the most appropriate financial criteria in each circumstance (comparable transactions, multiples for comparable companies, discounted present value of future cash flows).

Temporary changes in value are booked in other comprehensive income as “Gains (losses) on financial assets available-for-sale”.

When there is objective evidence that the asset is impaired, such as a significant or prolonged decline in the fair value of the asset, then the cumulative gain or loss previously accumulated in the equity is recycled to profit or loss.

Loans and receivables

This category mainly includes trade receivables, cash, certain deposits, as well as other loans and receivables. These instruments are recognized at fair value upon origination and are subsequently measured at amortized cost using the effective interest method. Short-term receivables with no stated interest rate are measured at initial nominal amount unless there is any significant impact resulting from the application of an implicit interest rate.

If there is any objective evidence of impairment of these assets, the value of the asset is reviewed at the end of each reporting period. An impairment loss is recognized in profit or loss when the financial asset carrying amount is higher than its recoverable amount.

Impairment of trade receivables is based on two methods:

- A statistical method: It is based on historical losses and leads to a separate impairment rate for each ageing balance category. This analysis is performed over a homogenous group of receivables with similar credit characteristics because they belong to a customer category (mass-market, small offices and home offices).
- A stand-alone method: The probability and the amount of impairment loss are estimated based on a set of relevant factors (ageing of late payment, other balances with the counterpart, rating from independent agencies, geographical area). This method is used for carriers and operators (domestic and international), local, regional and national authorities and for large accounts of Company Communication Services.

Recognition of impairment losses on a group of receivables is the step preceding the detection of impairment losses on individual receivables. When information is available (clients in bankruptcy or subject to equivalent judicial proceedings), these receivables are then excluded from the statistical database and individually impaired.

Financial assets or financial liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are:

- assets held for trading that the Group acquired principally for the purpose of selling them in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actual pattern of short-term profit-taking;
- derivative assets not qualifying for hedge accounting.

NOTE 2—ACCOUNTING POLICIES (Continued)

Recognition and measurement of financial liabilities

Financial liabilities at amortized cost

Borrowings and other financial liabilities at amortized cost are recognized upon inception at fair value of the sums paid or received in exchange of the liability, and subsequently measured at amortized cost using the effective interest method. Current interest-free payables are booked at their nominal value.

Transaction costs that are directly related to the acquisition or issuance of a financial liability are deducted from its carrying value. The costs are subsequently amortized over the life of the liability by using the effective interest method.

Within the Group, some financial liabilities at amortized cost are subject to hedge accounting. It relates mostly to fix rate borrowings hedged against changes in interest rate and currency value (fair value hedge) and to foreign currency borrowings in order to hedge future cash flows against changes in currency value (cash flow hedge).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist mainly of derivative instruments described below.

Recognition and measurement of derivative instruments

Derivatives are measured at fair value and are presented in the statement of financial position according to their maturity date whether or not they do qualify for hedge accounting under IAS 39.

Derivatives are financial assets or liabilities measured at fair value through profit or loss and are classified in a separate line item of the statement of the financial position when they qualify for hedge accounting.

Hedge accounting is applicable when:

- at the inception of the hedge there is a formal designation and documentation of the hedging relationship;
- at the inception of the hedge and in subsequent periods the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows related to the hedged risk during the period for which the hedge is designated (i.e. the actual results of the hedge are within a range of 80-125%).

The three types of hedge accounting are the following:

- the fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment (or an identified portion of the asset or liability or firm commitment) that are attributable to a particular interest rate and/or currency risk and could affect profit or loss.

Hedged portion of these items is remeasured at fair value. Change in this fair value is recognized in the statement of financial position and in profit or loss but balanced by the symmetrical changes in the hedging financial instruments fair value to the limit of the hedge effectiveness.

- the cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular interest rate and/or currency risk associated with a recognized asset or liability or a highly probable forecast transaction (such as a future purchase or sale) and could affect profit or loss.

The hedged item being not recognized, the effective portion of change in fair value of the hedging instrument is recognized in other comprehensive income. Such amounts are recycled to profit or loss when the hedged financial asset or hedged financial liability affects the income statement. When hedged item is not a financial asset or a financial liability, such amounts are reclassified in its initial cost.

- the net investment hedge is a hedge of the exposure to changes in values attributable to exchange risk of a net investment in a foreign operation and could affect income statement on the disposal of the foreign operation.

The effective portion of the net investment hedge is recorded in other comprehensive income. The amounts booked in equity are recycled to profit or loss when the net investment is disposed of.

NOTE 2—ACCOUNTING POLICIES (Continued)

Hedge accounting can be terminated when the hedged item is no longer recognized, when the Group voluntarily revokes the designation of the hedging relationship, or when the hedging instrument is terminated or exercised. The accounting consequences are for:

- fair value hedge: at the hedge accounting termination date, the adjustment of the debt fair value is based on a recalculated effective interest rate at the date amortization begins;
- cash flow hedge: amounts booked in other comprehensive income are immediately reclassified in profit or loss when the hedged item is no longer recognized or, in all other cases, when the hedged item affects profit or loss.

In both cases, subsequent changes in the value of the hedging instrument are recorded in profit or loss.

2.11 Inventory

Inventories comprise handsets and related accessories for resale and are measured at the lower of their cost and their net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and cost to be incurred in marketing, sale and distribution.

2.12 Income and deferred taxes

Current tax is measured by the Group at the amount expected to be paid or recovered from the taxation authorities of each country, based on its interpretation with regard to the application of tax legislation.

Deferred taxes are recognized for all temporary differences between the book values of assets and liabilities and their tax basis, as well as for unused tax losses, using the liability method taking into account the tax rates, which are enacted or substantially enacted at the end of the reporting period. Deferred tax assets are recognized only when their realization is considered probable.

Deferred tax assets arising on these tax losses are not recognized under certain circumstances specific to each tax entity, and particularly when:

- entities cannot assess the probability of the tax loss carryforwards being set off against future taxable profits, due to forecasts horizon and uncertainties as to the economic environment;
- entities have not yet begun to use the tax loss carryforwards;
- entities do not expect to use the losses within the timeframe allowed by tax regulations;
- tax losses are uncertain to be used due to the risks of divergent interpretations with regard to the application of tax legislation.

2.13 Provisions

A provision is recognized when the Group has a present obligation towards a third party as resulting from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The obligation may be legal, regulatory or contractual or it may represent a constructive obligation deriving from the Group's actions where, by an established pattern of past practice or published policies creating a valid expectation on the part of other parties that the Group will discharge certain responsibilities.

The estimate of the amount of the provision corresponds to the probable outflow of resources likely to be incurred by the Group to settle its obligation.

Contingent liabilities are disclosed in the notes to the financial statements. They correspond to:

- probable obligations resulting from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control; or

NOTE 2—ACCOUNTING POLICIES (Continued)

- present obligations arising from past events that are not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or because the amount of the obligation cannot be measured with a sufficient reliability.

Litigation

In the ordinary course of business, the Group is involved in a number of legal and arbitration proceedings and administrative actions. The costs that might result from these proceedings are only accrued when they are probable and when their amount can be quantified or estimated within a reasonable range. The amount of provision recorded is based on a case-by-case assessment of the risk level, and events arising during the course of legal proceedings may require a reassessment of this risk.

Restructuring

Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed formal plan, prior to the end of the reporting period.

Provisions for dismantling and restoring sites

The Group is required to dismantle equipment and restore sites. Provision is measured at the best estimate of the amount required to settle its obligations (on a per site basis for mobile antennas). These dismantling costs are calculated on the basis of the identified costs for the current financial year, extrapolated for future years using the best estimate of future trends in prices, inflation, etc., and are discounted at a risk-free rate, based on market yields on high quality corporate bonds (or on government bonds when no corporate bond). This estimate is revised at the end of each reporting period and adjusted, when appropriate. The asset to which the provision relates is also adjusted for the corresponding amount.

2.14 Employee benefits

The Group is affiliated to a legally independent pension fund. The annual contributions to this fund are made by both employee and employer in accordance with unchanged regulatory provisions. This is a defined contribution plans according to Swiss legislation, but under IAS 19, it is qualified as a defined benefit plans due to the constructive obligation of the employer to guarantee a minimum rate of interest and a fixed conversion rate.

The Group contributes to a retirement plan established for the benefit of its employees, which has been incorporated at December 30, 1998 as a separate legal entity. The plan is providing several categories of coverage. In relation to the categories of coverage, the employees' contributions are based on various percentages of their gross salaries. All employees are entitled to participate in the plan for retirement, disability or death. The Group's contributions exceed those of the employees. The risks of disability and death are entirely reinsured by an insurance company.

The Group's obligation in respect of its defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value of the obligation, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary in accordance with the projected unit credit method. Actuarial gains or losses related to the defined benefit plan are recognized in other comprehensive income.

2.15 Share-based compensation

In accordance with IFRS 2 "Share-based payments" the fair value of stock options, employee share issues and free share grants (concerning the shares of France Telecom or Orange) is determined on the grant date.

The fair value of stock options is generally determined by reference to the exercise price, the life of the options, the current price of the underlying shares, the expected share price volatility, expected dividends, the effect of market performance conditions and the risk-free interest rate over the life of the options. Service and performance conditions other than market conditions are not part of the fair value assessment, but are part of the assumptions for estimating the number of instruments expected to be vested.

The amount so determined is recognized in labour expenses on a straight-line basis over the period between the grant date and the vesting date with a corresponding amount recorded in equity for equity-settled plans or in liability for cash-settled plans.

NOTE 3—REVENUE, OPERATING INCOME AND EXPENSES

3.1 Revenue

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Network	1,124,757	1,128,320
Equipment	113,635	110,697
Other mobile services	48,333	49,905
Fixed line home	5,509	5,530
Fixed line enterprise	3,219	1,289
Total	1,295,453	1,295,741

3.2 Access back bone and interconnection

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Interconnection costs	(212,055)	(214,247)
Transmission leased lines	(20,139)	(17,298)
Fixed network costs	(7,392)	(8,037)
Total access back bone and interconnection	(239,586)	(239,582)

3.3 Commercial expenses and cost of equipment sold

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Cost of equipment sold	(191,424)	(187,864)
Commercial expenses	(179,162)	(171,750)
Total Commercial expenses and cost of equipment sold	(370,586)	(359,614)

3.4 Network, IT, property expenses and other purchases

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Network and IT charges	(75,250)	(73,078)
Property expenses	(61,481)	(58,690)
Subcontracting and professional services	(31,029)	(30,825)
Content costs	(8,281)	(7,309)
Other purchases	(21,260)	(23,617)
Total Network, IT, property expenses and other purchases	(197,300)	(193,519)

3.5 Labour expenses

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Average number of employees (full-time equivalents)	1,176	1,189
Wages and employee benefit expenses, of which		
—Salaries and wages	(116,990)	(118,139)
—Social contributions, excluding retirement	(7,611)	(8,020)
—Individual incentive/bonus plans	(18,450)	(15,848)
—Own work capitalised—Labour	17,798	15,330
—Post-employed benefits	(12,527)	(14,043)
—Other	208	(19)
Total labour expenses	(137,572)	(140,739)

NOTE 3—REVENUE, OPERATING INCOME AND EXPENSES (Continued)**3.6 Other operating expenses**

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Customer bad debt written-off	(8,399)	(11,492)
Spectrum fees	(7,339)	(11,367)
Other (1)	(2,772)	(5,503)
Total other operating expenses	(18,510)	(28,362)

(1) Other operating expenses mainly include capital investment taxes.

3.7 Other operating income

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Net foreign gain exchange on trade payables and receivables	4,168	758
Other (1)	15,496	18,155
Total other operating income	19,664	18,913

(1) Other operating income mainly include costs recharged to affiliated companies of France Telecom Group for services delivered by the Group.

3.8 Restructuring and transaction costs

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Restructuring costs	(2,669)	(1,291)
Transaction costs (1)	(4,275)	—
Total restructuring and transaction costs	(6,944)	(1,291)

(1) Related to the tentative acquisition of Sunrise conducted in 2010.

NOTE 4—FINANCIAL INCOME AND EXPENSES**4.1 Financial expenses**

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Interests on loan from shareholder	(19,367)	(22,381)
Other	(830)	(622)
Total financial expenses	(20,197)	(23,003)

4.2 Financial income

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Interests on cash and other deposits	1,515	1,407
Expected return on defined benefit plan assets net of pension liability interest cost	1,406	1,361
Foreign exchange gains on financial assets & liabilities	590	437
Dividends received from investments	—	115
Other	505	629
Total financial income	4,016	3,949

NOTE 5—INCOME TAX

5.1 Income tax benefit/(charge)

The Group is liable for taxes in all cantons based on an intercantonal allocation at various rates. The Group is also subject to federal income tax. With this regard and considering the tax holidays granted by the cantons (full or partial), the current average tax rate is estimated at a rate of 25.47% (20.79% in 2009) based on the statutory tax rates applicable in Switzerland, which can potentially vary in the upcoming years. Tax losses are normally available to be set off against future taxable income for a period of seven years.

Orange Communications SA benefited from tax holidays (full or partial) for the initial 10 fiscal periods following the incorporation for the cantons where the Company is subject to the main element of taxation. It is, however, subject to taxes at the federal level, as well as from various other cantons.

Orange Network SA and Orange (Liechtenstein) AG do not benefit from tax holidays.

The income tax split comprises:

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Total tax expense	(16,384)	(2,602)
—Current tax expense in respect of the current year	(498)	(269)
—Deferred tax income / (expense)	(15,886)	(2,333)

5.2 Group tax proof

The reconciliation between effective income tax expense and the theoretical tax calculated based on the Swiss statutory tax rate is as follows:

(in thousands of Swiss Francs)	Year 31.Dec.10	Year 31.Dec.09
Net result before tax	112,135	83,854
Income tax rate	25.47%	20.79%
Theoretical income tax expense	(28,561)	(17,433)
Reconciliation items:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	6,591	3,046
Effect of changes in losses to be carryforward and other temporary differences	15,987	15,400
Utilization of previously unrecognized tax losses carried forward	—	5,194
Reassessment of previous years deferred tax asset	(3,275)	—
Deferred tax assets not recognized on temporary differences and tax loss carry forwards arising in the period	(3,331)	(5,931)
IAS 12.81(d) Effect on deferred tax balances due to the change in income tax rate	(3,823)	(2,871)
Other	28	(7)
Income tax expense recognised in profit or loss	(16,384)	(2,602)

NOTE 5—INCOME TAX (Continued)

5.3 Balance sheet tax position

The balance sheet tax position by class of temporary difference breaks down as follows:

(in thousands of Swiss Francs)	31.Dec.10 Net	31.Dec.09 Net
Pension provision	5,987	1,908
Intangible assets	(8,166)	20,439
Property, plant and equipment	58,766	57,722
Tax loss carryforwards	58,801	46,627
Other	857	305
Net deferred taxes—Group	116,245	127,000
—Deferred tax assets	120,149	129,234
—Deferred tax liabilities	(3,903)	(2,234)

In 2007 and 2008 the licences and Radio access network were sold by Orange Communications SA to Orange Network SA at fair value, resulting in a capital gain, which has been eliminated on consolidation. This created a tax temporary difference that will be consumed over the remaining useful life of underlying assets (namely between 5 and 20 years depending on the nature of each asset).

5.4 Changes in Group net deferred taxes

(in thousands of Swiss Francs)	Opening balance 01.Jan.10	Recognized in profit or loss	Recognized in other components of comprehensive income	Closing balance 31.Dec.10
Temporary differences				
Pension	1,908	(1,053)	5,132	5,987
Intangible assets	20,439	(28,603)	—	(8,166)
Property, plant and equipment	57,722	1,044	—	58,766
Tax losses carryforwards	46,627	12,174	—	58,801
Other	305	552	—	857
Total	127,000	(15,886)	5,132	116,245

(in thousands of Swiss Francs)	01.Jan.09			31.Dec.09
Temporary differences				
Pension	5,374	(73)	(3,393)	1,908
Intangible assets	42,216	(21,777)	—	20,439
Property, plant and equipment	53,918	3,805	—	57,722
Tax loss carryforwards	30,960	15,667	—	46,627
Other	259	46	—	305
Total	132,726	(2,333)	(3,393)	127,000

Deferred tax assets not recognized at the reporting date are as follows:

(in thousands of Swiss Francs)	31.Dec.10 Net	31.Dec.09 Net
Deferred tax assets not recognised at the reporting date:		
—unused tax losses	28,671	23,169
—temporary differences	104,158	71,305
Total	132,829	94,474

NOTE 5—INCOME TAX (Continued)

Unrecognized tax losses carryforward (tax bases) for which no deferred tax assets have been recognized, together with their expiration dates, are shown in the table below.

in thousand of Swiss Francs	Tax losses carryforward
2015	10,725
2016	30,017
2017	70,566
Total	111,308

NOTE 6—INTANGIBLE ASSETS

At December 31, 2010, the intangible assets were as follows:

(in thousands of Swiss Francs)	31.Dec.10			
	Cost	Accumulated depreciation and amortization	Impairment	Net
Telecommunication licenses	62,280	(33,179)	—	29,101
Software	751,405	(612,398)	—	139,008
Lease premium	29,980	(10,684)	—	19,296
Right of use and other intangible assets	10,218	(2,423)	—	7,795
Total	853,883	(658,684)	—	195,200

At December 31, 2009, the intangible assets were as follows:

(in thousands of Swiss Francs)	31.Dec.09			
	Cost	Accumulated depreciation and amortization	Impairment	Net
Telecommunication licenses	62,280	(28,400)	—	33,880
Software	692,456	(539,408)	—	153,048
Lease premium	29,980	(8,219)	—	21,761
Right of use and other intangible assets	4,761	(1,992)	—	2,769
Total	789,477	(578,019)	—	211,458

Intangibles assets under construction amount to 31,242 TCHF at December 31, 2010 (December 31, 2009: 19,929 TCHF).

Movements in the net book value of intangible assets were as follows:

(in thousands of Swiss Francs)	Telecomm- unication licenses	Software	Lease premium	Right of use and other intangible assets	TOTAL
Opening balance at 01.Jan.10	33,880	153,048	21,761	2,769	211,458
Acquisitions of intangible assets (1)	—	58,950	—	5,457	64,407
Depreciation and amortization (1)	(4,779)	(72,990)	(2,465)	(431)	(80,665)
Reclassifications and other items	—	—	—	—	—
Closing balance at 31.Dec.10	29,101	139,008	19,296	7,795	195,200

(1) These lines include a reclassification from tangibles to intangibles for an amount of 67,935 TCHF in gross book value and 31,216 TCHF of amortization. This reclassification mainly concerns IT equipment and is reclassified into software.

NOTE 6—INTANGIBLE ASSETS (Continued)

(in thousands of Swiss Francs)	Telecomm- unication licenses	Software	Lease premium	Right of use and other intangible assets	TOTAL
Opening balance at 01.Jan.09	38,659	159,392	310	1,218	199,579
Acquisitions of intangible assets	140	43,382	21,944	1,982	67,448
Depreciation and amortization	(4,779)	(49,720)	(493)	(431)	(55,423)
Reclassifications and other items	(140)	(6)	—	—	(146)
Closing balance at 31.Dec.09	33,880	153,048	21,761	2,769	211,458

Information on telecommunication licenses at December 31, 2010

(in thousands of Swiss Francs)	Cost	Net	Residual useful life (1)
GSM	6,385	—	—
UMTS	55,895	29,101	6
Total telecommunication licenses	62,280	29,101	—

(1) In number of years at December 31, 2010.

Capitalized expenditure

The expenses capitalized in “Software” during the period were as follows:

(in thousands of Swiss Francs)	31.Dec.10 Net	31.Dec.09 Net
External purchases	4,018	1,179
Labour expenses	12,197	9,486
Total	16,215	10,665

NOTE 7—PROPERTY, PLANT AND EQUIPMENT

At December 31, 2010, the property, plant and equipment were as follows:

(in thousands of Swiss Francs)	31.Dec.10			
	Cost	Accumulated depreciation and amortization	Impairment	Net
Land and buildings	143 081	(99 046)	—	44 035
Networks and terminals	2 059 119	(1 427 157)	(2 265)	629 697
IT equipment	217 004	(195 455)	—	21 549
Other property, plant and equipment	30 279	(23 478)	(173)	6 628
Total	2 449 483	(1 745 136)	(2 438)	701 909

At December 31, 2009, the property, plant and equipment were as follows:

(in thousands of swiss francs)	31.Dec.09			
	Cost	Accumulated depreciation and amortization	Impairment	Net
Land and buildings	135 311	(92 366)	—	42 945
Networks and terminals	1 991 827	(1 329 437)	(467)	661 923
IT equipment	209 670	(204 317)	—	5 353
Other property, plant and equipment	32 145	(22 229)	(44)	9 872
Total	2 368 953	(1 648 349)	(511)	720 093

NOTE 7—PROPERTY, PLANT AND EQUIPMENT (Continued)

Tangibles assets under construction amount to 48,442 TCHF at December 31, 2010 (December 31, 2009: 20,652 TCHF).

Movements in the net book value of property, plant and equipment were as follows:

(in thousands of Swiss Francs)	Land and buildings	Networks and terminals	IT Equipment	Other property, plant and equipment	TOTAL
Opening balance at 01.Jan.10	42,945	661,923	5,353	9,872	720,093
Acquisitions of property, plant and equipment (1)	7,770	67,292	7,334	(1,866)	80,530
Depreciation and amortization (1)	(6,680)	(105,073)	8,552	(1,378)	(104,579)
Reclassifications and other items	—	5,555	310	—	5,865
Closing balance at 31.Dec.10	44,035	629,697	21,549	6,628	701,909

(1) These lines include a reclassification from tangibles to intangibles for an amount of 67,935 TCHF in gross book value and 31,216 TCHF of amortization. This reclassification mainly concerns IT equipment and is reclassified into software.

(in thousands of Swiss Francs)	Land and buildings	Networks and terminals	IT Equipment	Other property, plant and equipment	TOTAL
Opening balance at 01.Jan.09	50,873	726,335	2,889	10,050	790,147
Acquisitions of property, plant and equipment	11,966	66,138	9,606	1,578	89,288
Depreciation and amortization	(19,894)	(131,086)	(7,217)	(1,693)	(159,890)
Reclassifications and other items	—	536	75	(63)	548
Closing balance at 31.Dec.09	42,945	661,923	5,353	9,872	720,093

Property, plant and equipment held under finance leases have a net book value of nil at December 31, 2010.

Capitalized expenditure

The expenses capitalized in “IT equipment” during the period were as follows:

(in thousands of Swiss Francs)	31.Dec.10 Net	31.Dec.09 Net
External purchases	3,337	5,736
Labour expenses	6,555	5,844
Total	9,892	11,580

NOTE 8—OTHER NON CURRENT ASSETS

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Assets available for sale	23	23
Deposits and other items	5,759	5,444
Total other non current assets	5,782	5,467

The non-consolidated investments classified as assets available for sale are related to 23% shares of Teldas AG for an amount of 23 TCHF at December 31, 2010 (23 TCHF at December 31, 2009).

NOTE 9—INVENTORIES

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Inventories of handsets	21,454	29,884
Other products/services sold	4,349	3,254
Gross value	25,802	33,138
Provisions for obsolescence	(2,730)	(4,230)
Net value	23,072	28,908

The cost of inventories recognized as an expense during the period in respect of continuing operations was:

(in thousands of Swiss Francs)	year 31.Dec.10	Year 31.Dec.09
Consumption of handsets	175,932	164,061
Consumption of other products/services	16,993	20,976
Total consumption	192,924	185,037

NOTE 10—TRADE RECEIVABLES

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Gross trade receivables	273,070	318,830
Provision for doubtful debts	(4,611)	(6,544)
Net trade receivables	268,459	312,286

Gross trade receivables are broken down as follows:

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Trade receivables depreciated according to their age	37,526	57,904
Gross trade receivables past due	37,526	57,904
Not past due	235,544	260,926
Gross trade receivables	273,070	318,830

The following table provides an aging balance of gross trade receivables past due and depreciated according to their age:

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Past due-under 60 days	26,720	29,026
Past due-60 to 120 days	4,283	18,576
Past due-over 120 days	6,523	10,302
Total gross trade receivables past due and depreciated according to their age	37,526	57,904

The Group has a contract with Intrum Justitia AG in order to outsource the receivables collection. As at December 31, 2010, the terms of the deal were as follows:

	Buying rate
Mobile invoices B2C	49.50%
Mobile invoices B2B and non mobile invoices	
0-1,000 CHF	52.80%
1,000-2,750 CHF	6.00%
2,750-10,000 CHF	2.00%
> 10,000 CHF	2.60%

NOTE 10—TRADE RECEIVABLES (Continued)

Residential customers debt is transmitted to the agency if past due over 121 days. Regarding Business customers, it is a case by case analysis and decision, especially if the customers have other contracts with the Group.

NOTE 11—OTHER CURRENT ASSETS AND PREPAID EXPENSES**11.1 Other current assets**

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
VAT, receivables	324	430
Other receivables	6,419	7,676
Total other current assets	6,743	8,106

11.2 Prepaid expenses

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Prepaid external purchase	18	17,564
Other prepaid expense	123	—
Total	141	17,564

Prepaid expenses decreased compared to last year due mainly to a change in billing terms with partners concerning downpayments of commissions on activations.

NOTE 12—CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and the cash pool with France Telecom SA in current account, net of outstanding bank overdrafts. Cash & cash equivalents at the end of the periods presented are as follows:

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Cash & bank balances	6,541	1,982
Cash pool France Telecom SA	267,567	402,628
Total cash and cash equivalents—assets	274,108	404,610
Bank overdraft	—	(74)
Cash and cash equivalents net	274,108	404,536

NOTE 13—EQUITY**13.1 Share capital**

Orange Communications SA is fully-owned by Seller which is fully-owned by France Telecom SA. Orange Communications' share capital amounts to 400,000,000 Swiss francs, comprising 1,150,000 ordinary shares with a par value of 0.01 Swiss francs each and 7,999,770 ordinary shares with a par value of 50 Swiss francs with transfer restriction.

13.2 Dividends

The Shareholders' Meeting of Orange Communications SA held on October 25, 2010 approved the distribution of a dividend of 300,000,000 Swiss francs (representing 32.79 CHF per share).

NOTE 14—FINANCIAL LIABILITIES

(in thousands of Swiss Francs)	31.Dec.10			31.Dec.09		
	Current	Non-current	Total	Current	Non-current	Total
Payables to suppliers	400,514	—	400,514	452,925	—	452,925
<i>Fixed assets payables</i>	54,373	—	54,373	64,891	—	64,891
<i>Trade payables</i>	346,141	—	346,141	388,034	—	388,034
Financial liabilities at amortized cost	2,733	917,142	919,875	2,987	917,374	920,361
<i>Shareholder's loan</i>	2,733	917,000	919,733	2,913	917,000	919,913
<i>Bank overdrafts</i>	—	—	—	74	—	74
<i>Capital lease</i>	—	142	142	—	374	374
Hedging derivatives (liabilities)	4,095	—	4,095	1,033	—	1,033
Total financial liabilities	407,342	917,142	1,324,484	456,945	917,374	1,374,319

Non-current shareholder's loan consists of two loans to Seller (ASB):

- A CHF480 million loan was granted in December 2007 and is to be repaid in fine on December 20, 2017. This loan bears interests at a rate of CHF LIBOR 3M + 120 bp per annum, which are due for payment on a quarterly basis;
- A CHF437 million was granted in October 2008 and is to be repaid in fine on October 2nd, 2018. This loan bears interests at a rate of CHF LIBOR 3M + 220 bp per annum, which are due for payment on a quarterly basis.

Credit lines

At December 31, 2010, the Group has access to credit facilities in the form of bank overdrafts over external banks and a cash pool with France Telecom SA labelled in Swiss Francs as follows:

(in thousands of Swiss Francs)	31.Dec.10		31.Dec.09	
	Amount available in foreign currency	Amounts drawn down	Amount available in foreign currency	Amounts drawn down
Bank overdrafts	5,000	—	5,000	74
Cash pool France Telecom SA	40,000	24,813	40,000	—
Total	45,000	24,813	45,000	74

NOTE 15—DERIVATIVE INSTRUMENTS

Cash flow hedge

On December 31, 2010, in order to hedge partially EUR/CHF exchange rate risk exposure on supplier cash payments, the Group held exchange rate forwards.

The spot EUR/CHF has been fixed until December 22, 2011.

NOTE 15—DERIVATIVE INSTRUMENTS (Continued)

The following table shows the details of the exchange rate forwards opened at December 31, 2010:

Contract number	Operation date	Maturity date	EUR leg (Buy) ^{TEUR}	CHF leg (Sell) TCHF	FX Spot rate	FX FWD rate	MTM liabilities (TCHF)	Cash Flow Hedge (Equity)
59127	30/11/2010	27/01/2011	5,000	6,485	€1.30	€1.30	(235)	239
59128	30/11/2010	24/02/2011	5,000	6,481	€1.30	€1.30	(233)	239
59129	30/11/2010	24/03/2011	5,000	6,476	€1.30	€1.30	(231)	238
59130	30/11/2010	28/04/2011	5,000	6,470	€1.30	€1.29	(229)	238
59131	30/11/2010	26/05/2011	5,000	6,466	€1.30	€1.29	(229)	238
59132	30/11/2010	23/06/2011	5,000	6,462	€1.30	€1.29	(228)	238
59133	30/11/2010	28/07/2011	5,000	6,457	€1.30	€1.29	(227)	238
59134	30/11/2010	25/08/2011	5,000	6,453	€1.30	€1.29	(226)	238
59135	30/11/2010	29/09/2011	5,000	6,446	€1.30	€1.29	(224)	237
59136	30/11/2010	27/10/2011	5,000	6,441	€1.30	€1.29	(222)	237
59137	30/11/2010	24/11/2011	5,000	6,436	€1.30	€1.29	(221)	237
59138	30/11/2010	22/12/2011	5,000	6,431	€1.30	€1.29	(220)	237
59269	03/12/2010	29/09/2011	8,000	10,431	€1.31	€1.30	(475)	488
59280	03/12/2010	27/10/2011	7,000	9,122	€1.31	€1.30	(415)	427
59281	03/12/2010	24/11/2011	4,000	5,209	€1.31	€1.30	(237)	244
59282	03/12/2010	22/12/2011	3,000	3,904	€1.31	€1.30	(177)	183
TOTAL			82,000	106,170			(4,029)	4,195

As at December 31, 2010, this represents a liability of 4,029 TCHF (December 31, 2009: 1,033 TCHF) and an amount recognized through equity of 4,195 TCHF (December 31, 2009: 1,030 TCHF).

Foreign exchange trading derivatives

On December 31, 2010, in order to hedge Management and Franchising Fees invoiced in EUR, the Group held exchange rate forwards.

The spot EUR/CHF has been fixed until March 21, 2011.

The following table shows the details of the exchange rate forwards opened at December 21, 2010:

Contract number	Operation date	Maturity date	EUR leg (Buy) ^{TEUR}	CHF leg (Sell) TCHF	FX Spot rate	FX FWD rate	MTM liabilities (TCHF)
59676	17/12/2010	21/03/2011	2,500	3,189	1.2778	1.2756	(67)
TOTAL			2,500	3,189			(67)

As at December 31, 2010, this represents a liability of 67 TCHF (December 31, 2009, nil).

NOTE 16—EMPLOYEE BENEFITS***Liability for defined benefit obligations***

The Group's employees are insured for the risks of old age, death and disability by the "Fondation de prévoyance en faveur du personnel de Orange Communications SA".

Under this plan the retirement benefit is determined by the amount in the employee retirement savings account at the time of retirement. If an employee retires at the normal retirement age (64 for women, 65 for men), the saving account is converted into a retirement pension at a rate of 7.2 %. If the employee retires before 60 years old his saving account is converted into a retirement pension at a lower rate.

Actuarial valuations of the plan assets and of the defined benefit obligation were carried out at December 31, 2010 and 2009 by an external actuarial expert. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

NOTE 16—EMPLOYEE BENEFITS (Continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2010	2009
Discount rate for obligations	3.50%	3.25%
Expected return on plan assets	4.50%	5.00%
Rate of future salary increases	1.50%	1.50%
Rate of Pension Increases	0.50%	0.50%
Mortality and disability—Swiss official tables	BVG 2005	BVG 2005

The expected rates of return on plan assets of 4.5 % (2009: 5%) are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with anticipated balance in the plan's investment portfolio.

The amount recognized in the balance sheet in respect of the Group's defined benefit retirement plan is as follows:

(in thousands of Swiss Francs)	31.Dec.10 Total	31.Dec.09 Total
Present value of funded obligations	(157,470)	(136,316)
Fair value of plan assets	134,031	133,960
Recognized liability for defined benefit obligations	(23,439)	(2,356)

Amount recognized in income statement in respect of the defined benefit plan is as follows :

(in thousands of Swiss Francs)	31.Dec.10 Total	31.Dec.09 Total
Service cost	12,559	12,930
Interest cost	4,684	3,654
Expected return on plan assets	(6,089)	(5,015)
Effect of curtailments	—	—
Effect of settlements	—	—
Net periodic pension cost	11,154	11,569

Change in the present value of the defined benefit obligation is as follows:

(in thousands of Swiss Francs)	31.Dec.10 Total	31.Dec.09 Total
Defined Benefit Obligation (DBO) at the beginning of period	136,316	117,925
Service cost	12,559	12,930
Interest cost	4,684	3,654
Curtailments	—	—
Settlements	—	—
Employee contributions	4,735	4,773
Experience (gains)/losses	—	6,021
Liability (gains)/losses due to assumption changes	11,968	(5,606)
Benefits paid	(12,792)	(3,381)
Defined Benefit Obligation (DBO) at the end of Period	157,470	136,316

NOTE 16—EMPLOYEE BENEFITS (Continued)

The fair value of the plan asset is constituted by the following categories of assets:

(in thousands of Swiss Francs)	31.Dec.10 Total	31.Dec.09 Total
Equity securities	39%	44%
Government bonds	47%	43%
Corporate bonds	0%	3%
Real estate / property	5%	5%
Insurance contracts	6%	5%
Other	3%	0%
	100%	100%

Change in the fair value of plan assets is as follows:

(in thousands of Swiss Francs)	31.Dec.10 Total	31.Dec.09 Total
Fair value of plan assets at the beginning of period	133,960	101,570
Expected return on plan assets	6,089	5,015
Plan assets actuarial gain (losses)	(8,124)	13,700
Employer contributions	10,163	12,283
Employee contributions	4,735	4,773
Other	—	—
Settlements	—	—
Benefits paid	(12,792)	(3,381)
Fair value of plan assets at the end of period	134,031	133,960

Actual return on plan assets is as follows:

(in thousands of Swiss Francs)	31.Dec.10 Total	31.Dec.09 Total
Expected return on plan assets	6,089	5,015
Actuarial gains on plan assets	(8,124)	13,700
Actual return on plan assets	(2,035)	18,715

The movement in the net liability during the year is as follows:

(in thousands of Swiss Francs)	31.Dec.10 Total	31.Dec.09 Total
Net pension liability at the beginning of period	(2,356)	(16,355)
Net periodic pension cost	(11,154)	(11,569)
Employer contributions	10,163	12,283
Total amount recognized in OCI	(20,092)	13,285
Net pension liability at the end of period	(23,439)	(2,356)

NOTE 16—EMPLOYEE BENEFITS (Continued)

The history of experience adjustments is as follows:

(in thousands of Swiss Francs)	31.Dec.10 Total	31.Dec.09 Total	31.Dec.08 Total	31.Dec.07 Total	31.Dec.06 Total
Present value of defined benefit obligation	(157,470)	(136,316)	117,925	109,659	149,093
Fair value of plan assets	134,031	133,960	(101,570)	(120,615)	(123,531)
Benefit / (Deficit)	(23,439)	(2,356)	16,355	(10,956)	25,562
Experience adjustments on plan liabilities	—	6,021	(10)	(19,449)	(10,890)
Experience adjustments on plan assets	(8,124)	13,700	(27,331)	8,780	8,191

NOTE 17—PROVISIONS

(in thousands of Swiss Francs)	31.Dec.09	Additions	Used	Unused	Discounting	31.Dec.10
Restructuring provisions	2,154	3,431	(3,542)	(724)	—	1,319
Provisions for dismantling and restoring sites	40,468	3,082	(279)	(1,453)	797	42,615
Other provisions	104	—	—	—	—	104
Total	42,726	6,513	(3,821)	(2,177)	797	44,038
<i>o/w non-current provisions</i>	41,372	3,082	(812)	(1,453)	797	42,986
<i>o/w current provisions</i>	1,354	3,431	(3,009)	(724)	—	1,052

(in thousands of Swiss Francs)	31.Dec.08	Additions	Used	Unused	Discounting	31.Dec.09
Restructuring provisions	3,876	2,112	(3,160)	(674)	—	2,154
Provisions for dismantling and restoring sites	29,746	11,667	(311)	(1,221)	587	40,468
Other provisions	71	33	—	—	—	104
Total	33,693	13,812	(3,471)	(1,895)	587	42,726
<i>o/w non-current provisions</i>	30,577	11,741	(311)	(1,221)	587	41,372
<i>o/w current provisions</i>	3,116	2,072	(3,160)	(674)	—	1,354

NOTE 18—OTHER CURRENT LIABILITIES AND DEFERRED INCOME**18.1 Other current liabilities**

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
VAT payable	5,139	7,842
Debtors momentarily creditors	4,915	2,021
Deposit payables	2,726	2,396
Other	4,189	2,541
Total other current liabilities	16,969	14,800

18.2 Deferred income

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Prepaid telephone cards	24,069	19,292
Other	1,889	2,839
Total	25,958	22,131

NOTE 19—OTHER INFORMATION ON EXPOSURE TO FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

19.1 Financial risks

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from 2008.

The capital structure of the Group consists of debt, which includes the loan payable and the bank overdrafts disclosed in note 14, cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

Financial risk management objectives

The Group's 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. These risks include credit risk, liquidity risk and market risk (including interest rate risk and currency risk).

Credit Risk management

Financial instruments that could potentially subject the Group to concentrations of credit risk consist primarily of cash, trade receivables and securities, investments and deposits.

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, professional and large business customers). In addition, the maximum value of the credit risk on these financial assets is equal to their recognized net book value.

The Group applies the France Telecom Group cash policy. Cash is centralised at Group level through cash pooling.

Liquidity risk management

The liquidity management at the Group level consists in minimizing the available cash on a daily basis.

The cash generated by the Group is used to reimburse the loan towards France Telecom Group. The reimbursement capacity is reviewed annually. An adjustment during the year would be possible in case of necessity.

For its short term cash management, the Group has credit facilities of 40'000 TCHF with France Telecom Group.

Interest Rate Risk

The Group manages its net exposure to interest rate risk through the proportion of fixed rate financial debt and variable rate financial debt in its total financial debt portfolio. To manage this mix, the Company may enter into interest rate swap agreements, in which it exchanges periodic payments based on a notional amount and agreed-upon fixed and variable interest rates and into forward contracts, in which it exchanges fixed amounts of foreign currency and fixed amounts of Swiss francs.

Foreign exchange rate risk management

The Group operates mainly in its country currency (CHF). The exposure to currency risk is therefore limited.

As much as possible, the Group used foreign currency inflows for its foreign currency outflows. If necessary, the Group buys foreign currency shortly before the transaction. If any material exposure arises, the Group may enter into foreign exchange rate hedging instruments with the assistance of France Telecom Group Treasury department.

NOTE 19—OTHER INFORMATION ON EXPOSURE TO FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (Continued)

The following table shows the exposure of the Group financial positions by currency:

(in thousands of Swiss Francs)	31.Dec.10 Total	EUR	USD	GBP	CHF
Financial assets (A)	554,768	3,964	130	35	550,640
<i>Deposits and other items</i>	5,782	—	—	—	5,782
<i>Trade receivables</i>	268,459	2,123	—	8	266,329
<i>Other receivables</i>	6,419	—	—	—	6,419
<i>Current financial assets at fair value through profit or loss</i>	—	—	—	—	—
<i>Cash and cash equivalents</i>	274,108	1,841	130	27	272,110
Financial liabilities (B)	1,320,389	12,940	48	24	1,307,377
<i>Non-current financial liabilities at amortized cost, excluding trade payables</i>	917,142	—	—	—	917,142
<i>Current trade payables</i>	400,514	12,940	48	24	387,502
<i>Current financial liabilities at amortized cost, excluding trade payables</i>	2,733	—	—	—	2,733
Net exposure (A)-(B)	(765,621)	(8,976)	82	11	(756,737)

(in thousands of Swiss Francs)	31.Dec.09 Total	EUR	USD	GBP	CHF
Financial assets (A)	730,039	11,852	517	218	717,453
<i>Deposits and other items</i>	5,467	—	—	—	5,467
<i>Trade receivables</i>	312,286	9,359	408	6	302,514
<i>Other receivables</i>	7,676	—	—	—	7,676
<i>Current financial assets at fair value through profit or loss</i>	—	—	—	—	—
<i>Cash and cash equivalents</i>	404,610	2,493	109	213	401,796
Financial liabilities (B)	1,373,286	29,156	770	81	1,343,280
<i>Non-current financial liabilities at amortized cost, excluding trade payables</i>	917,374	—	—	—	917,374
<i>Current trade payables</i>	452,925	29,156	770	81	422,919
<i>Current financial liabilities at amortized cost, excluding trade payables</i>	2,987	—	—	—	2,987
Net exposure (A)-(B)	(643,247)	(17,304)	(253)	137	(625,827)

NOTE 19—OTHER INFORMATION ON EXPOSURE TO FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (Continued)

The following table shows the sensitivity of the Group to a probable 10% change in the foreign exchange rates of the currency to which they are exposed and impact on profit and loss:

31.Dec.10	Currency purchase during the year	+ 10 % change	- 10 % change
(in thousands of currency)			
EUR	224,860	20,442	(24,984)
USD	10,873	988	(1,208)
GBP	407	37	(45)

31.Dec.09	Currency purchase during the year	+ 10 % change	- 10 % change
(in thousands of currency)			
EUR	174,869	15,897	(19,430)
USD	8,490	772	(943)
GBP	327	30	(36)

19.2 Financial instruments

The market value of financial assets and liabilities measured at fair value in the statement of financial position shown in the table below has been ranked based on the three hierarchy levels defined by IFRS 7:

- Level 1: quoted price in active markets;
- Level 2: inputs observable directly or indirectly;
- Level 3: inputs not based on observable market data.

	December 31, 2010	
(in thousands of swiss francs)	Book value	Estimated fair value
Loans and receivables	554,768	554,768
Deposits and other items	5,782	5,782
Trade receivables	268,459	268,459
Other receivables	6,419	6,419
Cash and cash equivalents	274,108	274,108
Assets at fair value through profit or loss, excluding derivatives	—	—
Financial liabilities at amortized cost	1,320,389	1,320,389
Financial liabilities at amortized cost	919,875	919,875
Trade payables	400,514	400,514
Financial liabilities at fair value through profit or loss, excluding derivatives	—	—
Net derivatives	4,095	4,095

NOTE 19—OTHER INFORMATION ON EXPOSURE TO FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (Continued)

(in thousands of swiss francs)	December 31, 2009	
	Book value	Estimated fair value
Loans and receivables	730,039	730,039
Deposits and other items	5,467	5,467
Trade receivables	312,286	312,286
Other receivables	7,676	7,676
Cash and cash equivalents	404,610	404,610
Assets at fair value through profit or loss, excluding derivatives	—	—
Financial liabilities at amortized cost	1,373,286	1,373,286
Financial liabilities at amortized cost	920,361	920,361
Trade payables	452,925	452,925
Financial liabilities at fair value through profit or loss, excluding derivatives	—	—
Net derivatives	1,033	1,033

Derivative instruments are the only items measured at fair value and are classified as level 2.

Gains and losses related to financial assets and liabilities are as follows:

(in thousands of swiss francs)	2010		
	Net finance costs	Other operating expenses and income	Other comprehensive income
Loans and receivables			
Deposits and other items	246		
Trade receivables	(1,277)	(11,235)	
Other receivables	72		
Cash and cash equivalents	(58)		
Assets at fair value through profit or loss, excluding derivatives			
Financial liabilities at amortized cost			
Financial liabilities at amortized cost	(17,397)		
Trade payables	1,120	16,852	
Other			
Financial liabilities at fair value through profit or loss, excluding derivatives			
Net derivatives	505	(9,848)	(3,165)

NOTE 19—OTHER INFORMATION ON EXPOSURE TO FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (Continued)

(in thousands of Swiss Francs)	2009		
	Net finance costs	Other operating expenses and income	Other comprehensive income
Loans and receivables			
Deposits and other items	377		
Trade receivables	(1,380)	(12,473)	
Other receivables	126		
Cash and cash equivalents	(675)		
Assets at fair value through profit or loss, excluding derivatives			
Financial liabilities at amortized cost			
Financial liabilities at amortized cost	(19,839)		
Trade payables	967	3,264	
Other			
Financial liabilities at fair value through profit or loss, excluding derivatives			
Net derivatives	629	(1,525)	2,240

NOTE 20—OFF-BALANCE SHEET COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Management considers that to the best of its knowledge, there were no existing commitments, other than those described in this note, likely to have a material effect on the current or future financial position of the Group.

Details of commitments and contractual obligations reflected in the statements of financial position

The table below provides a schedule of commitments and contractual obligations reflected in the statement of financial position at the end of each reporting period.

20.1 Rental commitments

(in thousands of swiss francs)	31.Dec.10 Total	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Rental commitments :							
Property (1)	189,259	51,189	42,987	27,616	20,787	15,152	31,528
Rental commitments :							
Vehicles	1,017	712	273	32	—	—	—
Rental commitments :							
Other (2)	334	290	30	7	6	—	—
Total	190,609	52,192	43,290	27,655	20,793	15,152	31,528

(in thousands of swiss francs)	31.Dec.09 Total	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Rental commitments :							
Property (1)	172,694	45,510	33,056	24,892	21,319	14,765	33,151
Rental commitments :							
Vehicles	1,302	952	283	66	0	—	—
Rental commitments :							
Other (2)	428	330	91	7	1	—	—
Total	174,424	46,792	33,431	24,965	21,320	14,765	33,151

(1) Commitments related to offices (Zürich and Renens), shops loans and network sites

(2) Commitments related to XEROX printers

NOTE 20—OFF-BALANCE SHEET COMMITMENTS AND CONTRACTUAL OBLIGATIONS
(Continued)

20.2 Investments and goods and services purchase commitments

(in thousands of Swiss Francs)	31.Dec.10 Total	< 1 year	1-2 years	> 2 years
Investments commitments in network assets (1)	18,294	18,294	—	—
Other tangible investments commitments (1)	2,266	2,266	—	—
Intangible investments commitments (1)	218	218	—	—
Purchase of transmission capacity	5,139	4,744	395	—
Purchase of handsets (1)	68,297	68,297	—	—
Other commitments related to the purchase of goods and services	61,526	61,526	—	—
Total	155,740	155,345	395	—

(in thousands of swiss francs)	31.Dec.09 Total	< 1 year	1-2 years	> 2 years
Investments commitments in network assets (1)	33,878	33,878	—	—
Other tangible investments commitments (1)	11,834	11,834	—	—
Intangible investments commitments (1)	3,137	3,137	—	—
Purchase of transmission capacity	14,800	10,000	4,800	—
Purchase of handsets (1)	27,617	27,617	—	—
Other commitments related to the purchase of goods and services	60,789	60,789	—	—
Total	152,055	147,255	4,800	—

(1) Commitments related to open purchase orders on Network fixed assets and handsets

NOTE 21—LITIGATION

In 2002 the Competition Commission (WEKO) opened an investigation against the Group in order to determine whether the Group is in a dominant position and is abusing such dominant position by charging excessive termination fees on the Swiss mobile termination market.

In February 2007, the WEKO imposed a fine on Swisscom Mobile of 333 million Swiss francs for abuse of a dominant position in the call termination market during the period prior to June 1, 2005, at which date Swisscom Mobile significantly reduced its call termination charges. The WEKO also decided to close the investigation against the Group for the period ending May 31, 2005 without further consequences for the Group. At the same time WEKO announced to continue its investigations for the period subsequent to May 31, 2005 (the date Swisscom substantially lowered its termination rates).

On December 20, 2007 the WEKO restarted to investigate the case and requested that the Group provides information on termination fees charged in the past, the market situation and cost factors.

In May 2009, the Swiss telecom regulator (ComCom) issued a report concluding that the call termination charges of the Swiss mobile operators are higher than those of comparable operators in other countries. On February 24, 2010 the Federal Administrative Court set aside the fine imposed on Swisscom, after having determined that the other operators always had the possibility to complain to ComCom. The WEKO lodged an appeal to the Federal Administrative Court against that decision and suspended its investigation.

On April 11, 2011, the Federal Court has rejected the WEKO's appeal and has in particular contested the abuse of a dominant position and thus finally revoked the fine of MCHF 333 to Swisscom. With this final decision for the period prior to May 31, 2005 the Group expects that the WEKO closes the investigation with regards to the period subsequent to May 31, 2005.

Considering the first and second judgments by the Federal Administrative Court, no provision has been recorded in the present consolidated financial statements in connexion with the above listed investigations conducted by the WEKO.

NOTE 22—RELATED-PARTY TRANSACTIONS

Directors and Executive Officers

The total remuneration of directors and executive officers is as follows:

(in thousands of Swiss francs)	31.Dec.10	31.Dec.09
Board of Directors	—	—
Executive Officers	5,893	7,058
TOTAL	5,893	7,058

Remuneration consists of:

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Short-term benefits	5,893	7,041
Shared based payments	—	17
TOTAL	5,893	7,058

Related enterprises

The following related party transactions have been recorded (shareholders and Group Companies):

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Shareholder (1) balances		
Interest on loans	(17,152)	(19,582)
Corporate and brand fees	(12,247)	(14,370)
Roaming expenses and other	(16,827)	(27,860)
Roaming income and other	31,342	36,668
TOTAL	(14,883)	(25,144)
Affiliates balances		
Corporate and brand fees	(18,813)	(18,956)
Roaming expenses and other	(12,945)	(13,898)
Roaming income and other	27,952	22,766
TOTAL	(3,806)	(10,088)

Related party transactions are conducted at arm's length.

The following related party balances were outstanding at the end of the reporting period:

(in thousands of Swiss Francs)	31.Dec.10	31.Dec.09
Shareholder (1) balances		
Trade receivables	23,576	49,749
Cash and cash equivalents	267,567	402,628
Loan Payables	(917,000)	(917,000)
Trade payables	(62,419)	(66,117)
Loan Interests	(2,733)	(2,913)
Affiliates balances		
Trade receivables	16,221	22,155
Trade payables	(16,834)	(39,795)

(1) Include Seller and France Telecom SA

As at December 31, 2010 there were no recognized losses on related party receivables (December 31, 2009, nil).

NOTE 23—SUBSEQUENT EVENTS

No significant subsequent event has been identified except the one described in Note 21 Litigation.

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**Matterhorn Mobile S.A. and
Matterhorn Mobile Holdings S.A.**

to acquire

**Orange Communications SA
CHF 904,000,000 (equivalent)**

March 23, 2012



Matterhorn Mobile S.A. and Matterhorn Mobile Holdings S.A.