



Press Release

For immediate release

Financial industry chiefs predict private equity exit for cable High level financial panel at Cable Congress provides further views on how cable has weathered the financial storm and plans future consolidation

(Brussels 4 March) Cable executives and shareholders today discussed the cable sector's readiness for significant investor activity in 2010 as equity investors look to make good on investments and secure buyers within the trade. Leading the way, Providence Equity suggested that an IPO for Kabel Deutschland was imminent. Other activity is being predicted for Germany, Benelux and CEE. Financial ownership on the horizon is likely to change, providing new investment opportunities in the cable industry.

John Hahn, Managing Director, Providence Equity Partners suggested that an IPO for Kabel Deutschland might be "imminent" stating that, "We have belief in the company, this is not something we have to do, it's something we want to do. For our investors it is logical that we return some capital, so this is a sensible thing to do." Hahn went on to respond to questions on effects of government on investment decisions, "Germany is heavily regulated but it does not distort the investment opportunities, it distorts consolidation."

Offering the industry much needed scale, consolidation continues to come up in financial discussions. Western European markets have witnessed recent consolidation trends as Germany lags behind. Such a view echoes observations by newly re-elected Cable Europe President Manuel Kohnstamm, "Fragmentation remains a problem. We will keep pressing in our discussions with regulators and competition authorities. We compete with other distribution platforms and telecom operators who have national scale, some of whom have enjoyed decades of government support."

Marisa Drew, Managing Director, Investment Banking Division, Credit Suisse, London highlighted the attractiveness of new markets for investors and characterised cable and mobile as some of the "few consistent performers" and went on to add: "Developing markets are a big theme at the moment. A lot of investment is happening in CEE and EMEA. This isn't going to change in the coming year. Investors come to me and say 'Bring me more cable paper and we will buy.'"

Shane O'Neill, Chief Strategy Officer at Liberty Global "It's a great time to be in the cable industry. We have two key differentiators, DOCSIS [3.0] allowing 50 Mbps and above which telcos cannot match as well as catch up and on demand TV which satellite can't do. Cable has a strong growth story to tell."

Summing up the investor session, Bloomberg News' John Dawson concluded: "This is the only industry I've heard about this year that has growth in it."



Cable Europe

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About Cable Europe

Cable Europe is a trade association that groups all leading broadband cable TV operators and their national associations throughout Europe. The aim of Cable Europe is to promote and defend the industry's policies and business interests at European and international levels, and to foster cooperation among its members. The European cable TV industry services more than 94 million broadband, TV and telephony subscriptions throughout the EU 27 (around 70 million households).

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