

Unofficial translation

DUTCH PLAN OF COMPOSITION

Dutch plan of composition of the public limited company **SONG NETWORKS N.V.** with its registered seat in Amsterdam, the Netherlands (hereinafter: “Song NV”).

Whereas:

1. On October 10, 2002 the District Court of Amsterdam in the Netherlands (the “Dutch Court”) granted Song NV a suspension of payments (*surseance van betaling*) (the “Suspension of Payments”) provisionally. Together with its request for Suspension of Payments, Song NV filed a draft plan of composition (*akkoord*) with the Dutch Court (as such draft plan has been amended, the “Plan”). The Dutch Court ordered that no meeting of creditors shall be held to decide on the definite granting of the Suspension of Payments (*definitieve surseance van betaling*) and ordered instead that the Plan shall be put to a vote.
2. Song NV's unsecured and unpreferred creditors can be divided into three groups: (i) the holders (the "Noteholders") of (a) the \$150 million 13% Senior Notes due May 15, 2009, (b) the €100 million 13% Senior Notes due May 15, 2009, (c) the €150 million 11.875% Senior Notes due December 1, 2009, and (d) the €175 million 12.375% Senior Notes due February 1, 2008 (the notes under (a), (b), (c) and (d), together, the “Notes”), (ii) creditors holding intercompany claims (i.e. claims of Song Networks Holding AB (“Song AB”), the parent company of Song NV, and/or its direct and indirect subsidiaries, including intercompany claims based on Notes) (the “Intercompany Creditors”, whose claims are herein referred to as the “Intercompany Claims”) (iii) other unsecured and unpreferred creditors (the “Other Ordinary Creditors”, whose claims are herein referred to as the “Other Ordinary Claims”). To Song NV's knowledge there are no, or virtually no, Intercompany Claims (other than claims of Song AB in respect of Notes held by it) or Other Ordinary Claims.
3. The basic principle for the Plan is that the Noteholders of Song NV, other than Song AB and its direct and indirect subsidiaries, shall receive payment on their claims in the form of (i)

ordinary shares in Song AB (the "Ordinary Shares") and (ii) convertible and redeemable preference shares in Song AB (the "Preference Shares"), both issued by Song AB to the Noteholders, in exchange for a transfer by the Noteholders to Song AB of their Notes, including all accrued and unpaid interest thereon, all claims thereunder and all claims and rights relating howsoever thereto, provided that the Noteholders offer their Notes to Song AB and subscribe for their respective entitlement to Ordinary Shares and Preference Shares on or before May 2, 2003. Song NV and Song AB offer the Noteholders:

- (a) for each \$1,000 principal amount of \$150 million 13% Senior Notes due May 15, 2009: 6,649.89 Ordinary Shares and 720.02 Preference Shares;
- (b) for each €1,000 principal amount of €100 million 13% Senior Notes due May 15, 2009: 6,530.66 Ordinary Shares and 707.11 Preference Shares;
- (c) for each €1,000 principal amount of €150 million 11.875% Senior Notes due December 1, 2009: 6,476.81 Ordinary Shares and 701.28 Preference Shares and
- (d) for each €1,000 principal amount of €175 million 12.375% Senior Notes due February 1, 2008: 6,746.30 Ordinary Shares and 730.46 Preference Shares.

The foregoing number of Ordinary Shares and Preference Shares to which the Noteholders shall be entitled shall be divided by 100 if a 100:1 reverse stock split in the share capital of Song AB is completed prior to the issuance of the Ordinary Shares and the Preference Shares to the Noteholders pursuant to this Plan. The rights and conditions with respect to the Preference Shares are set out in the attachment hereto. Any Note that has not been offered to Song AB (in the manner to be directed by Song AB) on or before May 2, 2003, shall be automatically cancelled. As at October 4, 2002, approximately 64% of the holders of Notes other than Song AB and its direct and indirect subsidiaries have conditionally agreed to accept this offer and to vote in favour of the Plan.

Notwithstanding the foregoing, in the event there are any Noteholders who timely offer their Notes to Song AB as provided in this Plan and who are "U.S. Persons" but are neither "Qualified Institutional Buyers" nor "Accredited Investors" (in each case as such term is defined in the General Rules and Regulations under the U.S. Securities Act of 1933, as amended) such Noteholders shall not be entitled to receive any Ordinary Shares or Preference Shares but instead the Ordinary Shares and Preference Shares for which such Noteholders

otherwise would have been entitled to subscribe will be (i) subscribed for by an agent of such Noteholders; (ii) sold by such agent; and (iii) the net proceeds from such sale will be remitted by such agent to such Noteholders on a pro rata basis in consideration for the Notes offered as contemplated above.

4. Song AB shall make available a fund in the amount of € 50,000 against which Noteholders who were unable to offer their Notes to Song AB prior to May 2, 2003 may claim an amount as set forth in paragraph C below, provided that the requirements as set forth in paragraph C below are satisfied.
5. Intercompany Claims shall remain in place and shall not be paid under this Plan. Notes and all claims thereunder that are held by Song AB or any of its direct or indirect subsidiaries shall not be exchanged for Ordinary Shares and Preference Shares. Such Notes shall not be cancelled by virtue of this Plan.
6. Other Ordinary Claims shall be paid in full under this Plan.
7. All claims that are not affected by the Suspension of Payments (i.e. secured and preferred claims as well as estate claims) shall be paid in full under this Plan.
8. In connection with the Plan, pursuant to a restructuring and investment agreement it has been agreed that: (i) Vattenfall AB and Stena Adactum AB shall subscribe for new ordinary shares of Song AB for an aggregate of SEK 300 million in cash; (ii) Stena Adactum AB shall subscribe for SEK 15 million in convertible notes of Song AB; (iii) Song AB shall acquire 100% of the shares of Arrowhead AB from Vattenfall AB for SEK 100 million in cash simultaneously with an additional subscription by Vattenfall AB for new ordinary shares of Song AB for SEK 100 million in cash and (iv) Song AB shall conduct a rights issue of new ordinary shares of up to SEK 97,042,829 and of convertible notes of up to SEK 82,942,589 (these transactions, together with the bond exchange contemplated in this Plan are referred to herein as the "Restructuring"). The bond exchange contemplated in this Plan is not conditional on any of the other transactions in the Restructuring other than those set out in paragraph 10 below.

Assuming the full implementation of the Restructuring, including both full subscription for the shares offered in the rights offering and full subscription for and conversion of the convertible notes, the fully diluted outstanding share capital of Song AB shall be as follows:

Noteholders	60.00 %
Vattenfall AB and Stena Adactum AB	19.82 %
Vattenfall AB (Arrowhead AB acquisition)	6.61 %
Pre-Restructuring Shareholders of Song AB	2.85 %
Rights issue of ordinary shares	6.41 %
Convertible notes	4.31 %

9. Upon the confirmation by the Dutch Court (*homologatie*) of the Plan as referred to in Section 271 of the Dutch Bankruptcy Act, for tax purposes, the automatic cancellation of the Notes under the Plan by any of the creditors is based on grounds that such rights are considered to constitute irrecoverable debt claims (“*niet voor verwezenlijking vatbare schuldvorderingen*”) for such creditors.

10. This Plan is conditional on Song AB's shareholders resolving on (i) the necessary changes to Song AB's articles of association, (ii) the issuance of the additional equity to be exchanged for the Notes as contemplated by this Plan and (iii) other alterations to Song AB's equity structure as envisaged in the Restructuring, prior to the hearing in which the Dutch Court shall attend to the confirmation of the Plan (*homologatie*) as referred to in Section 271 of the Dutch Bankruptcy Act. Subject to the passing of and pursuant to the resolutions referred to in the preceding sentence, Song AB irrevocably undertakes to issue to Noteholders the Song AB shares referred to above.

Offers the following Plan (subject to the conditions in the preceding paragraph):

- A. In exchange for the transfer to Song AB of their Notes, including all accrued and unpaid interest thereon, all claims thereunder and all claims and rights relating howsoever thereto, the Noteholders shall receive
 - (a) for each \$1,000 principal amount of \$150 million 13% Senior Notes due May 15, 2009: 6,649.89 Ordinary Shares and 720.02 Preference Shares;

- (b) for each €1,000 principal amount of €100 million 13% Senior Notes due May 15, 2009: 6,530.66 Ordinary Shares and 707.11 Preference Shares;
- (c) for each €1,000 principal amount of €150 million 11.875% Senior Notes due December 1, 2009: 6,476.81 Ordinary Shares and 701.28 Preference Shares and
- (d) for each €1,000 principal amount of €175 million 12.375% Senior Notes due February 1, 2008: 6,746.30 Ordinary Shares and 730.46 Preference Shares,

provided that the Noteholders offer their Notes to Song AB and subscribe for their entitlement to Ordinary Shares and Preference Shares (both in the manner to be directed by Song AB) on or prior to May 2, 2003. The foregoing number of Ordinary Shares and Preference Shares to which the Noteholders shall be entitled shall be divided by 100 if a 100:1 reverse stock split in the share capital of Song AB is completed prior to the issuance of the Ordinary Shares and the Preference Shares to the Noteholders pursuant to this Plan. Any fractional entitlement in each of the aggregate numbers of Ordinary Shares and Preference Shares received by any Noteholder under this Plan shall be rounded to the nearest whole share with any entitlement to 0.50 of a share being rounded upwards. Song AB shall begin issuing the Ordinary Shares and the Preference Shares within 30 days after the date on which the confirmation of the Plan has become irrevocable (de homologatie in kracht van gewijsde is gegaan).

Notwithstanding the foregoing, in the event there are any Noteholders who timely offer their Notes to Song AB as provided in this Plan and who are "U.S. Persons" but are neither "Qualified Institutional Buyers" nor "Accredited Investors" (in each case as such term is defined in the General Rules and Regulations under the U.S. Securities Act of 1933, as amended) such Noteholders shall not be entitled to receive any Ordinary Shares or Preference Shares but instead the Ordinary Shares and Preference Shares for which such Noteholders otherwise would have been entitled to subscribe will be (i) subscribed for by an agent of such Noteholders; (ii) sold by such agent; and (iii) the net proceeds from such sale will be remitted by such agent to such Noteholders on a pro rata basis in consideration for the Notes offered as contemplated above.

- B. Any Notes that have not been offered to Song AB (in the manner to be directed by Song AB) on or prior to May 2, 2003, shall be automatically cancelled and cease to exist on that date and, except as set forth in paragraph C below (i) the holders of such Notes hereby release

Song NV from any and all remaining liability and obligations relating to such Notes as at that date, including any and all obligations under the indentures governing such Notes and (ii) as from that date any and all remaining liability and obligations of Song AB under this Plan and relating to such Notes shall cease to exist and, to the extent necessary, such Noteholders hereby release Song AB from any such remaining liability and obligations.

- C. Song AB shall make available an amount of € 50,000 (the “Fund”) for payment to persons or entities who (i) were holding Notes on May 2, 2003 or, in case the putative rights under the Notes have been assigned by such Noteholders after May 2, 2003, the persons or entities to whom such Noteholders have assigned their putative rights with respect to the Notes and (ii) have not transferred their Notes to Song AB in accordance with paragraph B (such Noteholders or assignees, the “Former Noteholders” and such Notes or putative rights, the “Former Notes”). Song AB shall pay to the Former Noteholder who has not transferred his putative rights an amount in Euro (the “Amount”) equal to the number of Former Notes multiplied by 185.9, provided that (i) prior to November 2, 2003, the Former Noteholder makes a request in writing to Song AB for the payment of the Amount and (ii) the Former Noteholder proves to the satisfaction of Song AB that he and all of his assignors who were holding the Notes after October 8, 2002, were unable to offer their Notes to Song AB on or prior to May 2, 2003, as a result of them not being aware and reasonably not being able to be aware (as prescribed by article 3:37-3 of the Dutch Civil Code) of the offer made by Song NV and/or Song AB under this Plan. Payments to Former Noteholders from the Fund shall be made by Song AB after November 2, 2003. In the event that the aggregate of the Amounts to which the Former Noteholders would be entitled under this paragraph exceeds the amount of the Fund, the Amounts to be paid hereunder shall be reduced in such a way that the Fund shall be distributed pro rata amongst all Former Noteholders entitled to payment hereunder.
- D. Intercompany Claims shall remain in place and shall not be paid under this Plan. Notwithstanding paragraph A, Notes and all claims thereunder that are held by Song AB or any of its direct and indirect subsidiaries shall not be exchanged for Ordinary Shares and Preference Shares. Such Notes shall not be cancelled by virtue of this Plan .
- E. Subject to the confirmation of the Plan having become irrevocable (*homologatie in kracht van gewijsde is gegaan*), the holders of Notes other than Song AB and its direct and indirect

subsidiaries waive any and all rights of enforcement of their claims and all other remedies against Song NV related to the Notes.

F. Other Ordinary Claims shall be paid in full under this Plan.

Subject to the confirmation of the Plan having become irrevocable (*homologatie in kracht van gewijsde is gegaan*), Song AB undertakes to perform the foregoing obligations to the Noteholders to exchange the Notes for Ordinary Shares and Preference Shares jointly and severally (*hoofdelijk*) with Song NV.

Where there is any inconsistency between the English text of the Plan and the Dutch text thereof, the Dutch version shall prevail.

Song Networks N.V.
Hans Tomas Franzén, director
Date 19 November 2002

Song Networks Holding AB
Hans Tomas Franzén, CEO
Date 19 Novemeber 2002