

[This is an informal translation of the original Dutch text. The Dutch text will be decisive.]

DRAFT COMPOSITION PLAN

(2nd amended draft

January 7, 2003)

Draft composition plan of **United Pan-Europe Communications N.V.**, with its registered office in Amsterdam ("**UPC**").

Whereas:

- a. On 3 December 2002 UPC filed a Petition with the District Court of Amsterdam requesting it to grant a suspension of payment. The present draft composition plan was annexed as Annex 7 to the Petition. Petitioner also requested the Court in the Petition that it would refrain from setting a date on which the creditors would be consulted on the definitive suspension of payment, but that it instead would set a date on which the creditors would be consulted on the present draft composition plan. This date has meanwhile been set and scheduled for February 28, 2003. At this date the creditors will also be given the opportunity to vote on the present draft composition plan. The subject amended draft composition plan contains minor revisions from the draft composition plan filed on December 3, 2002 and the revised draft submitted on December 2002 and the subject revised composition plan substitutes the previous draft composition plan in its entirety.
- b. The most important group of UPC creditors are the holders of bonds issued by UPC. **Annex 1** to this draft composition plan contains a list of bond series issued by UPC. Point of departure of the draft composition plan has been, that all bondholders should be made the offer that they exchange their claims against UPC pursuant to their bondholding for shares in a newly incorporated company, New UPC Inc. ("**New UPC**"). This is a company incorporated under the laws of the State of Delaware, United States of America.
- c. On 30 September 2002 UPC reached agreement on the restructuring with holders of approximately 60% of its bonds, including its parent company United Global Com. ("**UGC**"). The agreement has been laid down in writing in a '*Restructuring Agreement*'. Part of the agreement is that UPC, both in the United States and in the

Netherlands, will offer its creditors a composition plan, as now embodied in the present plan. With this purpose in mind UPC has initiated Chapter 11 proceedings in the United States, in which it has filed a so-termed '*Plan of Reorganisation*' for the approval of the US bankruptcy Court and which is to be put to the vote of the creditors and shareholders of UPC.

- d. The reason why UPC, in addition to the present draft composition plan, will also submit a Plan of Reorganisation in the United States is *inter alia* found in the fact that most of the holders of bonds issued by UPC are located in the United States and that the terms and conditions of the bonds (indentures) are governed by the laws of the state of New York.
- e. The shares in New UPC offered in the draft composition plan will, once both the '*Plan of Reorganisation*' and the present draft composition plan have become definitive, as soon as reasonably possible be transferred to the UPC creditors, as provided for in this draft composition plan. To do this, however, a certain number of other conditions must also have been met, as described in more detailed in the disclosure statement, which will serve as a prospectus in the Netherlands. The date on which all conditions for the issue of shares in New UPC have been satisfied will be designated hereinafter as the ***Effective Date***, in accordance with the definition used in the US Plan of Reorganisation. If, however, UPC claims are challenged and no amicable settlement is possible, then the New UPC shares will only be transferred when the holder of any such claim has obtained a definite judgment against UPC.
- f. The New UPC shares will be transferred through a so-termed Disbursing Agent (the "**Disbursing Agent**"), who will pass them on, in exchange for the bonds held by the relevant bondholder to the relevant bondholders in the numbers set down below. New UPC has assumed an obligation vis-à-vis UPC to make available the requisite number of shares for delivery to UPC's creditors.
- g. The creditors will only receive whole numbers of shares in New UPC. If a creditor, on the basis of the schedule below, on aggregate would be entitled to a fraction of a share, of New UPC, the number of shares of New UPC which such creditor shall receive shall be rounded to the next higher or lower whole number as follows: (A) fractions one-half or greater shall be rounded to the next higher whole number and (B) fractions of less than one-half (1/2) shall be rounded to the next lower whole number. No consideration shall be provided in lieu of fractional shares that are rounded down.

- h. A prospectus on the New UPC shares (the disclosure statement mentioned above) will be made generally available. The disclosure statement must however be approved by the US Bankruptcy Court before it is mailed to creditors. In any event the disclosure statement will be made generally available before the date set by the Court for the creditors' meeting. A copy of the disclosure statement can be obtained at such time, *inter alia*, through the following telephone number at UPC: +31 (0)20 778 9959. It is expected that the disclosure statement will be available on or around January 10, 2003. UPC informs its creditors that it is in their interest to review the disclosure statement before taking a decision as regards this draft composition plan.

OFFER:

In view of the above, UPC makes the following offer to its creditors:

(A conversion rate of EUR 1.0000 = USD 0.9968 has been applied.)

A. Bondholders

Once the Effective Date has arrived, the holders of the various bond series will be entitled to the following numbers of shares in New UPC upon the surrendering of their bonds with the Disbursing Agent, who will transfer the bonds to New UPC, these matters as described further in **Annex 2** to this draft composition plan.

(With different bond series, mentioned below, reference is made to the numbering of annex 1 with this draft composition plan. Interest can only be claimed up to the date of the suspension of payments. If there is an entitlement to accrued and unpaid interest, such interest (Senior Notes), which has been calculated in accordance with the relevant contractual percentage for each series of bonds, has been taken into account up to the date of the suspension of payments. To the extent interest is accreted to principal (Senior Discount Notes), the bonds are taken into consideration for their accreted value as per the date of suspension of payments.)

Series 1 6.02063 shares in New UPC for USD 1,000 nominally of bonds

Series 2 6.18275 shares in New UPC for USD 1,000 nominally of bonds

Series 3 4.38533 shares in New UPC for USD 1,000 nominally of bonds

Series 4 6.04406 shares in New UPC for USD 1,000 nominally of bonds

- Series 5** 4.18810 shares in New UPC for USD 1,000 nominally of bonds
- Series 6** 6.21236 shares in New UPC for USD 1,000 nominally of bonds
- Series 7** 6.23216 shares in New UPC for USD 1,000 nominally of bonds
- Series 8** 4.02406 shares in New UPC for USD 1,000 nominally of bonds
- Series 9** 6.00137 shares in New UPC for EUR 1,000 nominally of bonds
- Series 10** 6.16297 shares in New UPC for EUR 1,000 nominally of bonds
- Series 11** 6.02472 shares in New UPC for EUR 1,000 nominally of bonds
- Series 12** 4.17470 shares in New UPC for EUR 1,000 nominally of bonds
- Series 13** 6.19248 shares in New UPC for EUR 1,000 nominally of bonds

B. Other creditors

Once the Effective Date has arrived all other creditors in respect of whom the moratorium is effective will be entitled to the following number of shares in New UPC.

5.34665 shares in New UPC for each EUR 1,000 nominally of claims.

A. + B.

Creditors whose claims are disputed will only be able to effect their entitlements after, and to the extent that, their claim has been established by a final judgement, not subject to any appeals, by the relevant court or arbitration-institution.

Amsterdam, [7] January 2003

United Pan-Europe Communications N.V.

Charles Bracken
Chief Financial Officer

Anton M. Tuijten
Senior Vice President and General Counsel

Annex 1

Different series of bonds

Currency	Amount	Due	Interestpercentage
1. USD	200.000.000	2007	10 7/8 %
2. USD	800.000.000	2009	10 7/8 %
3. USD	735.000.000	2009	12 ½ %
4. USD	252.000.000	2009	11 ¼ %
5. USD	478.000.000	2009	13 3/8 %
6. USD	600.000.000	2010	11 ¼ %
7. USD	300.000.000	2010	11 ½ %
8. USD	1.000.000.000	2010	13 ¾ %
9. EUR	100.000.000	2007	10 7/8 %
10. EUR	300.000.000	2009	10 7/8 %
11. EUR	101.000.000	2009	11 ¼ %
12. EUR	191.000.000	2009	13 3/8 %
13. EUR	200.000.000	2010	11 ¼ %

Annex 2

For purposes of distribution of the shares in New UPC to the bondholders of UPC a record date will be determined and bondholders at such record date will be entitled to such distribution. As soon as possible after the occurrence of the Effective Date, all bonds will be transferred to New UPC through book entries through DTC, Euroclear and Clearstream. Subsequently, DTC will effect the book entries that will result in the shares in New UPC that are offered through this draft composition plan being booked to the credit of the bondholders. Thus, the shares in New UPC will become available to the bondholders of UPC automatically, through book entries.

Other creditors of UPC, other than bondholders, should inform the company to which securities account they want the shares in New UPC, to which they will be entitled through this draft composition plan, to be credited.