Registered number
2357645

NTL MIDLANDS LIMITED

Report and Accounts

31 December 2005

NTL MIDLANDS LIMITED
Registered number
2357645

Directors
Virgin Media Directors Limited
Virgin Media Secretaries Limited

Company Secretary
Virgin Media Secretaries Limited

Auditors
Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered Office
160 Great Portland Street
London
W1W 5QA

NTL MIDLANDS LIMITED

Directors' Report

The directors present their report and accounts for the year ended 31 December 2005.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £16,075,000 (2004 - £11,993,000). The directors are unable to recommend the payment of a dividend until the company has distributable reserves (2004 - £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is to provide cable television, telephony, internet and other telecommunication services and run certain of the telecommunication systems over which they are provided.

Turnover fell by 6% primarily due to increased competition and lower prices. Operating profit increased by 275% to £18,735,000 as the fall in turnover was more than offset by savings in administrative expenses. The loss on ordinary activities before taxation worsened to £16,075,000 (2004 - £11,993,000 loss) due to higher interest payable and an exchange loss of £6,702,000 compared to a gain of £4,516,000 in 2004.

FINANCIAL RISK MANAGEMENT

The company's financial instruments mainly comprise receivable and payable inter-company debt. The main purpose of these financial instruments is to raise finance for the company's operations. The Virgin Media group intends to manage its financial risk, secure cost-effective funding for the group's operations and to minimise the adverse effects of fluctuations in the financial markets on the value of its financial assets and liabilities, on reported profitability and on its cash flows.

External debt is passed down the chain on matching terms to fellow group undertakings which have a funding requirement. In addition, working capital is managed centrally within the group creating further inter-company balances through normal operations.

The company is subject to financial risks where interest rates are not fixed or where the debt is denominated in foreign currency. The group's policy is to manage its interest cost using a mix of fixed and variable rate debts, and to hedge all or part of the exposure to interest rate risk, however the group's policy is not to hedge against inter-company debt denominated in foreign currencies. The company has $101 million in foreign denominated financial instruments for the reporting period and prior year.

EVENTS SINCE THE BALANCE SHEET DATE

On 3 March 2006, NTL Incorporated and Telewest Global, Inc. announced that they had completed the merger of the two businesses, creating the UK's second largest communications company. Immediately upon the merger, NTL Incorporated was renamed NTL Holdings Inc. and Telewest Global, Inc. was renamed NTL Incorporated.

NTL Incorporated, ntl Cable PLC, ntl Investment Holdings Limited and certain of its subsidiaries and Telewest Communications Networks Limited and certain of its subsidiaries executed a senior credit facility agreement with a consortium of financial institutions on 3 March 2006. The new senior credit facility replaces the old facility and has an aggregate principal amount of £5.3 billion, comprising of £3.6 billion 5 year term loan facilities, £651 million 6.5 year term loan facilities, a $650 million 6.5 year term loan facility, a £300 million 7 year term credit facility and a £100 million 5 year multi-currency revolving credit facility.

NTL MIDLANDS LIMITED
Directors' Report

EVENTS SINCE THE BALANCE SHEET DATE (continued)
On 4 July 2006, NTL Incorporated acquired Virgin Mobile Holdings (UK) plc ("Virgin Mobile"), the U.K.'s leading mobile virtual network operator with approximately 4.3 million customers and the U.K.'s fifth largest provider of mobile communication services. ntl Group Limited, a subsidiary of NTL Incorporated, entered into a long-term exclusive trademark licence agreement with Virgin Enterprises Limited pursuant to which the group re-branded its combined consumer business with the Virgin Media brand from 8 February 2007. On the same day, ntl Group Limited was renamed Virgin Media Limited, ntl Cable PLC was renamed Virgin Media Finance PLC and NTL Incorporated was renamed Virgin Media Inc.

The group believes that the acquisition of Virgin Mobile will enhance Virgin Media as a scale competitor in the U.K. telecommunications industry, enabling it to become the first market participant offering an integrated "quadruple-play" product suite, which bundles mobile telephony with its existing triple-play bundle, and assist it in improving customer service by leveraging best practices from Virgin Mobile. The re-branding of the group's consumer business will bring the Virgin Media brand into approximately 5.0 million U.K. homes and, the group believes, will enhance consumer appeal for our range of communications services.

DIRECTORS AND THEIR INTERESTS
The directors who served during the year and thereafter were as follows:

Virgin Media Directors Limited (formerly ntl Directors Limited)
Virgin Media Secretaries Limited (formerly ntl Secretaries Limited)

The directors had no interest in the share capital of the company requiring disclosure under the Companies Act 1985. The company seeks exemption under the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985, not to disclose the directors' interests in the common stock of Virgin Media Inc., a company incorporated in the USA and the ultimate parent undertaking of the company.

Virgin Media Inc. has indemnified the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision is in force as at the date of approving the directors' report.

AUDITORS
Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 of the Companies Act 1985.

By order of the board

R M Mackenzie
For and on behalf of Virgin Media Secretaries Limited
7 March 2007

NTL MIDLANDS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the accounts in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NTL MIDLANDS LIMITED

We have audited the company's accounts for the year ended 31 December 2005, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 20. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's member in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
7 March 2007

NTL MIDLANDS LIMITED
Profit and Loss Account
for the year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
Turnover	2	185,489	197,056
Cost of sales		(40,707)	(45,040)
Gross profit		144,782	152,016
Administrative expenses		(126,047)	(147,015)
Operating profit	3	18,735	5,001
Net exchange (losses)/gains on foreign currency borrowings	4	(6,702)	4,516
Interest receivable	5	14,719	13,576
Interest payable	6	(42,827)	(35,086)
Loss on ordinary activities before taxation		(16,075)	(11,993)
Taxation	7	-	-
Loss for the financial year	16	(16,075)	(11,993)

Statement of Total Recognised Gains and Losses

The company has no recognised gains or losses other than those reflected in the profit and loss account for the years ended 31 December 2005 and 31 December 2004.

NTL MIDLANDS LIMITED
Balance Sheet
as at 31 December 2005

	Notes		2005 £'000		2004 £'000
Fixed assets					
Tangible assets	8		308,865		313,090
Investments	9		1		1
			308,866		313,091
Current assets					
Debtors	10	253,862		262,325	
Cash at bank and in hand		3		22	
		253,865		262,347	
Creditors: amounts falling due within one year	11	(9,519)		(6,900)	
Net current assets			244,346		255,447
Total assets less current liabilities			553,212		568,538
Creditors: amounts falling due after more than one year	12		(531,628)		(530,850)
Provisions for liabilities and charges	14		(2,946)		(2,975)
Net assets			18,638		34,713
Capital and reserves					
Called up share capital	15		725		725
Share premium account	16		1,042,612		1,042,612
Revaluation reserve	16		2,775		2,775
Other reserves	16		5,494		5,494
Profit and loss account	16		(1,032,968)		(1,016,893)
Equity shareholder's funds	16		18,638		34,713

R. C. Gale

R C Gale
For and on behalf of Virgin Media Directors Limited
7 March 2007

NTL MIDLANDS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

1 Accounting policies

Fundamental accounting concept

The accounts have been prepared on the going concern basis because the ultimate parent undertaking has given the necessary assurances such that sufficient resources will be made available for the foreseeable future so that the company can meet its liabilities as and when they fall due.

Basis of preparation

The accounts are prepared under the historical cost convention, modified to include the revaluation of cable network and land and buildings, and in accordance with applicable United Kingdom accounting standards.

Group accounts

The company has taken advantage of the exemption from preparing group accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of another company incorporated in England and Wales which prepares group accounts (see note 19).

Depreciation

Network assets:

Depreciation is provided on a straight-line basis, at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life, as follows:

Freehold buildings	-	50 years
Leasehold buildings	-	length of lease
Cable and ducting	-	40 years
Network	-	15 years
Head end equipment	-	15 years
Subscriber equipment	-	4-15 years
Computer equipment	-	3-5 years

Other:

Depreciation is provided on a straight-line basis, at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life, as follows:

Freehold buildings	-	50 years
Leasehold land and buildings	-	length of lease
Furniture and fixtures	-	10 years
Plant and office equipment	-	3-10 years
Motor vehicles	-	4 years
Computer equipment	-	3-5 years
Satellite equipment	-	4 years

Capitalised overheads

Overheads, including staff costs, relating to the design, construction and development of the network, capital projects, and related services have been capitalised. Depreciation of capitalised overheads is provided on a straight-line basis over 3 to 15 years.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or if appropriate the forward contract rate. The resulting exchange differences are taken to the profit and loss account.

Cash flow statement

The company has taken advantage of the exemption under FRS 1 (revised) not to prepare a cash flow statement as it is a subsidiary which is at least 90% controlled by the ultimate parent undertaking (see note 19).

Investments

Investments are recorded at cost, less any provision for impairment.

NTL MIDLANDS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

1 Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

(a) provision is made for deferred tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only when the replacement assets are sold;

(b) provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and

(c) deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 Turnover

Turnover represents the value of services provided, stated net of Value Added Tax, and is attributable to one continuing activity, being the provision of cable television, telephony, internet and other services and telecommunication services and run certain of the telecommunication systems over which they are provided, all of which is attributable to the United Kingdom.

3 Operating profit

	2005 £'000	2004 £'000
This is stated after charging:		
Depreciation of fixed assets	36,214	46,598
Loss on disposal of fixed assets	9	-
Reorganisation costs (see note 14)	2,764	-

The directors' and auditors' remuneration are paid by Virgin Media Limited (formerly ntl Group Limited) and disclosed in the accounts of Virgin Media Finance PLC (formerly ntl Cable PLC).

Virgin Media Limited, a fellow group undertaking, employs most of the employees of the Virgin Media group. Details of staff numbers and staff costs for the group are disclosed in the accounts of Virgin Media Limited. The company does not have any directly employed staff.

Certain expenses are specifically attributable to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

4 Exchange gains and losses

	2005 £'000	2004 £'000
Net exchange (losses)/gains on foreign currency borrowings	6,702	(4,516)

Exchange gains and losses have arisen on the retranslation of US dollar denominated loan notes due to group undertakings totalling $100,626,658 (2004 - $100,556,288).

NTL MIDLANDS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

5 Interest receivable

	2005 £'000	2004 £'000
Bank interest	-	262
Interest on loan notes due from parent undertakings	14,719	13,314
	14,719	13,576

6 Interest payable

	2005 £'000	2004 £'000
Bank loan interest	506	101
Interest on loan notes due to group undertakings	42,321	34,985
	42,827	35,086

7 Taxation

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2005 £'000	2004 £'000
Current tax charge:		
Current tax on income for the year	-	-
	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
	-	-
Total tax charge on profit on ordinary activities	-	-

(b) Factors affecting current tax charge

The difference between the effective statutory rate and the actual current tax charge is reconciled as follows:

	2005 £'000	2004 £'000
Loss on ordinary activities before taxation	(16,075)	(11,993)
Loss on ordinary activities multiplied by the applicable statutory rate 30% (2004 - 30%)	(4,823)	(3,598)
Expenses not deductible for tax purposes	469	360
Depreciation in excess of capital allowances	10,714	2,041
Other short term timing differences	(884)	1,197
Utilisation of tax losses & other deductions	(5,476)	-
Total current tax charge	-	-

(c) Factors that may affect future tax charges

Deferred tax assets of £132,020,324 (2004 - £145,436,703) in respect of tax losses, £153,653,938 (2004 - £131,043,286) in respect of depreciation in excess of capital allowances, and £2,027,548 (2004 - 2,911,483) in respect of other timing differences have not been recognised, as there is insufficient certainty as to the availability of future taxable profits.

8 Tangible fixed assets

	Network £'000	Other £'000	Total £'000
Cost			
At 1 January 2005	848,033	28,091	876,124
Additions	32,006	-	32,006
Disposals	(812)	(113)	(925)
Reclassifications	(45)	45	-
At 31 December 2005	879,182	28,023	907,205
Depreciation			
At 1 January 2005	544,082	18,952	563,034
Charge for the year	35,494	720	36,214
Disposals	(812)	(96)	(908)
Reclassifications	-	-	-
At 31 December 2005	578,764	19,576	598,340
Net book value			
At 31 December 2005	300,418	8,447	308,865
At 31 December 2004	303,951	9,139	313,090

Included in 'Other' are the following net book values of land and buildings:

	2005 £'000	2004 £'000
Freehold	6,572	6,900
Short leasehold	853	965
	7,425	7,865

9 Investments

Cost	Subsidiary undertakings £'000
At 1 January and 31 December 2005	1
Provision for impairment	
At 1 January and 31 December 2005	-
Net book value	
At 1 January and 31 December 2005	1

All of the material investments in which the company holds at least 20% of the nominal value of any class of share capital are unlisted and dormant.

The company has taken advantage of the exemption under Section 228 of the Companies Act 1985 not to disclose the aggregate amount of capital and reserves, and the result for the year for each of the subsidiary undertakings on the basis that their results are included in the group financial statements of Virgin Media Finance PLC (formerly ntl Cable PLC) (see note 19).

10 Debtors

	2005 £'000	Restated 2004 £'000
Trade debtors	15,100	11,967
Loan notes due from parent undertakings	221,482	208,168
Amounts owed by group undertakings	-	24,787
Interest on loan notes due from parent undertakings	14,719	13,314
Prepayments and accrued income	2,561	4,089
	253,862	262,325

Loan notes due from parent undertakings are not expected to be recovered within one year. The rate of interest on the loan notes due from parent undertakings ranged from 4.792% to 5.625%.

The amounts previously described as owed by parent undertakings as at 31 December 2004 have now been reclassified as loan notes due from parent undertakings. Debtors as at 31 December 2004 remain unchanged at £262,325,000 in total.

11 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Bank loans (see note 13)	252	252
Accruals and deferred income	9,267	6,648
	9,519	6,900

12 Creditors: amounts falling due after more than one year

	2005 £'000	Restated 2004 £'000
Bank loans (see note 13)	1,238	1,390
Loan notes due to group undertakings	506,289	499,710
Amounts owed to group undertakings	4,174	-
Interest on loan notes due to group undertakings	19,927	29,750
	531,628	530,850

Loan notes due to group undertakings are repayable on demand and cannot be repaid before any bank loan. The rate of interest on the loan notes due to group undertakings ranged from 4.8325% to 9.75%.

The amounts previously described as long term advances from parent undertakings as at 31 December 2004 have now been reclassified as loan notes due to group undertakings. Creditors as at 31 December 2004 remain unchanged at £530,850,000 in total.

12 Creditors: amounts falling due after more than one year (continued)

Borrowings are repayable as follows:

	2005 £'000	2004 £'000
Amounts falling due:		
In one year or less	252	252
In more than one year but not more than two years	252	252
In more than two years but not more than five years	756	756
In more than five years	510,693	500,092
	511,953	501,352
Less: amounts falling due within one year	(252)	(252)
	511,701	501,100

Details of loans not wholly repayable within five years are as follows:

	2005 £'000	2004 £'000
Bank loans (see note 13)	1,490	1,642
Loan notes due to group undertakings	506,289	499,710
Amounts owed to group undertakings	4,174	-
	511,953	501,352

13 Bank loans

	2005 £'000	2004 £'000
Not wholly repayable within five years:		
£2.5 million bank loan at base plus 1.5%, repayable in annual instalments for 20 years commencing 31 July 1995	1,490	1,642
Less: included in 'Creditors: amounts falling due within one year' (see note 11)	(252)	(252)
	1,238	1,390

The loan is secured by a fixed charge on the freehold land and buildings at the company's facilities in Nottingham.

14 Provisions for liabilities and charges

	2005 £'000	2004 £'000
Reorganisation costs:		
At 1 January 2005	2,975	3,152
Provided in the year (note 3)	2,764	-
Utilised in the year	(2,793)	(177)
At 31 December 2005	2,946	2,975

The reorganisation provision represents the costs of restructuring the group. The principal constituents were redundancy costs, lease termination costs and professional fees. All provisions are expected to be utilised in 2006.

NTL MIDLANDS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

15 Share capital

	2005 £'000	2004 £'000
Authorised:		
40,000,060 ordinary shares of 2.5p each	1,000	1,000
Allotted, called up and fully paid:		
29,016,691 ordinary shares of 2.5p	725	725

16 Reconciliation of equity shareholder's funds and movements on reserves

	Share capital £'000	Share premium account £'000	Revaluation reserves £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 January 2004	725	1,042,612	2,775	5,494	(1,004,900)	46,706
Loss for the year	-	-	-	-	(11,993)	(11,993)
At 1 January 2005	725	1,042,612	2,775	5,494	(1,016,893)	34,713
Loss for the year	-	-	-	-	(16,075)	(16,075)
At 31 December 2005	725	1,042,612	2,775	5,494	(1,032,968)	18,638

17 Contingent liabilities

The company, along with fellow subsidiary undertakings, is party to a senior secured credit facility with a syndicate of banks. The company is a guarantor of borrowings under this facility of certain other group companies. At 31 December 2005 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £1,713 million (2004 - £2,417 million). Borrowings under the facility are secured by security over the assets of certain members of the group including those of the company.

18 Related party transactions

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings as a subsidiary undertaking which is at least 90% controlled by the ultimate parent undertaking.

NTL MIDLANDS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

19 Parent undertaking and controlling party

The company's immediate parent undertaking is ntl Jewel Holdings Limited.

The company's results are included in the group accounts of Virgin Media Finance PLC (formerly ntl Cable PLC), copies of which may be obtained from Virgin Media, 160 Great Portland Street, London, W1W 5QA .

The company's ultimate parent undertaking and controlling party is Virgin Media Inc. (formerly NTL Incorporated), a company incorporated in the state of Delaware, United States of America.

On 3 March 2006 NTL Incorporated executed an agreement of merger with Telewest Global, Inc. (incorporated in Delaware, USA), which resulted in NTL Incorporated being merged into a subsidiary of Telewest Global, Inc. In accordance with the terms of the merger agreement, immediately following the merger Telewest Global, Inc. was renamed NTL Incorporated and the former NTL Incorporated was renamed NTL Holdings Inc. On 8 February 2007, NTL Incorporated was renamed Virgin Media Inc. and NTL Holdings Inc. was renamed Virgin Media Holdings Inc.

Copies of all sets of group accounts, which include the results of the company, are available from The Secretary, Virgin Media Inc., 160 Great Portland Street, London, W1W 5QA.

20 Post balance sheet events

On 3 March 2006, NTL Incorporated and Telewest Global, Inc. announced that they had completed the merger of the two businesses, creating the UK's second largest communications company. Immediately upon the merger, NTL Incorporated was renamed NTL Holdings Inc. and Telewest Global, Inc. was renamed NTL Incorporated.

NTL Incorporated, ntl Cable PLC, ntl Investment Holdings Limited and certain of its subsidiaries and Telewest Communications Networks Limited and certain of its subsidiaries executed a senior credit facility agreement with a consortium of financial institutions on 3 March 2006. The new senior credit facility replaces the old facility and has an aggregate principal amount of £5.3 billion, comprising of £3.6 billion 5 year term loan facilities, £651 million 6.5 year term loan facilities, a $650 million 6.5 year term loan facility, a £300 million 7 year term credit facility and a £100 million 5 year multi-currency revolving credit facility.

On 4 July 2006, NTL Incorporated acquired Virgin Mobile Holdings (UK) plc ("Virgin Mobile"), the U.K.'s leading mobile virtual network operator with approximately 4.3 million customers and the U.K.'s fifth largest provider of mobile communication services. ntl Group Limited, a subsidiary of NTL Incorporated, entered into a long-term exclusive trademark licence agreement with Virgin Enterprises Limited pursuant to which the group re-branded its combined consumer business with the Virgin Media brand from 8 February 2007. On the same day, ntl Group Limited was renamed Virgin Media Limited, ntl Cable PLC was renamed Virgin Media Finance PLC and NTL Incorporated was renamed Virgin Media Inc.

The group believes that the acquisition of Virgin Mobile will enhance Virgin Media as a scale competitor in the U.K. telecommunications industry, enabling it to become the first market participant offering an integrated "quadruple-play" product suite, which bundles mobile telephony with its existing triple-play bundle, and assist it in improving customer service by leveraging best practices from Virgin Mobile. The re-branding of the group's consumer business will bring the Virgin Media brand into approximately 5.0 million U.K. homes and, the group believes, will enhance consumer appeal for our range of communications services.