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Registered number
3173552

ntl Investment Holdings Limited
Report and Accounts
31 December 2004



ntl Investment Holdings Limited

Registered number

3173552

Directors

R M Mackenzie

R C Gale

Joint Company Secretaries

R M Mackenzie

G E James

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Bankers

National Westminster Bank PLC

PO Box 9

31 Promenade

Cheltenham

Gloucs

GL50 1LH

Solicitors

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ntl Investment Holdings Limited

Directors' Report

The directors present their report and accounts for the year ended 31 December 2004.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £565,688,000 (2003 – £72,574,000). The directors are unable to recommend the payment of a dividend until there are distributable reserves (2003 – £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is to carry out the business of an investment holding company.

On 13 April 2004, the company, on behalf of the NTL Group, took out a new credit facility for £2,425 million and repaid £2,550 million of the existing credit facility.

On 13 April 2004, as part of a group reconstruction, the shareholding in the company was transferred from ntl Communications Limited to a newly incorporated company, ntl Cable PLC, in exchange for one share in ntl Cable PLC.

In November 2004, a subsidiary of the company acquired Virgin Media Group's remaining ownership interests in Virgin Net Limited. The acquisition increased the group's ownership in Virgin Net Limited from 49% to 100%.

On 1 December 2004, the company's indirect subsidiary, ntl Group Limited, entered into an agreement to sell its indirect subsidiary National Transcommunications Limited, comprising the group's Broadcast activities, to a consortium led by Macquarie Communications Infrastructure Group (MCG) for cash consideration of £1.27 billion. The sale completed on 31 January 2005.

As a result of the settlement of a previously impaired balance owed by a subsidiary undertaking, the related impairment provision was released, giving rise to a credit to the profit and loss account for the year amounting to £672,799,000. Debt refinancing in the year has given rise to a loss on extinguishment of debt being issue costs previously deferred and amortised over the life of the credit facility. The foreign exchange losses arising in the year relate to the proportion of the debt denominated in currencies other than pounds sterling. Various interest rate swaps and forward exchange contracts were entered into during the year to mitigate the impact of foreign currency exchange variations regarding the new credit facility. The directors consider the result for the year to be satisfactory.

EVENTS SINCE THE BALANCE SHEET DATE

On 31 January 2005, the group completed the sale of its Broadcast operations comprising all of the ordinary shares of National Transcommunications Limited giving rise to a gain on disposal of approximately £1 billion. On 5 February 2005, the group repaid £500 million of its bank debt.

The U.S. Dollar denominated Convertible Unsecured Loan Notes were fully repaid in February 2005.

On 9 May 2005, the group sold its operations in the Republic of Ireland, comprising all of the ordinary shares of ntl Communications (Ireland) Limited and ntl Irish Networks Limited and certain additional assets, to MS Irish Cable Holdings B.V., an affiliate of Morgan Stanley & Co. International Limited, for an aggregate purchase price of €333.4 million (£225.5 million).

On 2 October 2005, NTL Incorporated, the company's ultimate parent undertaking, and Telewest Global Inc announced that they had agreed a framework to combine both businesses. NTL Incorporated, and its indirect subsidiary ntl Investments Holdings Limited, have agreed to a commitment letter with several financial institutions who have agreed to arrange and to underwrite the new credit facilities in respect of this transaction. On 14 June 2005 £200 million and on 14 July 2005 a further £23 million of the bank debt was repaid.

On 5 December 2005, NTL Incorporated confirmed that it had approached Virgin Mobile (UK) Holdings plc about a potential offer to combine the ntl and Virgin Mobile businesses.

ntl Investment Holdings Limited
Directors' Report

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and thereafter and their interests in the share capital of the company were as follows:

R M Mackenzie	
S E Schubert	(resigned 1 October 2004)
R C Gale	(appointed 1 October 2004)
G N Roberts	(alternate director to R M Mackenzie)
	(appointed 24 March 2004; resigned 31 August 2004)
R C Gale	(alternate director to S E Schubert)
	(appointed 24 March 2004; resigned 1 October 2004)

The directors had no interest in the share capital of the company requiring disclosure under the Companies Act 1985. The company seeks exemption under SI802, The Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985, not to disclose the directors' interests in the common stock of NTL Incorporated, a company incorporated in the USA and the ultimate parent undertaking of the company.

NTL Incorporated has indemnified one or more 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.

COMPANY SECRETARY

On 24 March 2004, G E James was appointed joint company secretary.

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



G E James
Company Secretary

26 JAN 2006

ntl Investment Holdings Limited

STATEMENT OF DIRECTORS' RESONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 AUDITORS' REPORT TO THE MEMBER OF ntl Investment Holdings Limited

We have audited the company's accounts for the year ended 31 December 2004, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 18. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's member, as a body, 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 them 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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 United Kingdom Auditing Standards 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 judgements 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 of the state of affairs of the company as at 31 December 2004 and of its profit 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

26 JAN 2006

ntl Investment Holdings Limited
Profit and Loss Account
for the year ended 31 December 2004

	Notes	2004 £'000	2003 £'000
Administrative expenses		(59,419)	-
Other operating income		672,799	-
Operating profit	2	<u>613,380</u>	<u>-</u>
(Loss) on debt extinguishment	3	(36,147)	-
Interest payable	5	(302,042)	(243,602)
Interest receivable	6	290,497	316,176
Profit on ordinary activities before taxation		<u>565,688</u>	<u>72,574</u>
Taxation	7	-	-
Retained profit for the financial year	14	<u>565,688</u>	<u>72,574</u>

Statement of Total Recognised Gains and Losses

The company had no recognised gains or losses other than those reflected in the profit and loss account for the years ended 31 December 2004 and 31 December 2003.

ntl Investment Holdings Limited
Balance Sheet
as at 31 December 2004

	Notes	2004 £'000	2003 £'000
Fixed assets			
Investments	8	351,765	-
Current assets			
Debtors	9	1,174,744	294,624
Cash at bank and in hand		<u>73,067</u>	<u>39,825</u>
		1,247,811	334,449
Creditors: amounts falling due within one year	10	<u>(189,235)</u>	<u>(97,048)</u>
Net current assets		1,058,576	237,401
Total assets less current liabilities		<u>1,410,341</u>	<u>237,401</u>
Creditors: amounts falling due after more than one year	11	<u>(4,290,458)</u>	<u>(4,034,971)</u>
Net liabilities		<u>(2,880,117)</u>	<u>(3,797,570)</u>
Capital and reserves			
Called up share capital	13	1	1
Share premium account	14	12,624,954	12,273,189
Profit and loss account	14	<u>(15,505,072)</u>	<u>(16,070,760)</u>
Equity shareholder's deficit	14	<u>(2,880,117)</u>	<u>(3,797,570)</u>



R C Gale
Director

26 JAN 2006

ntl Investment Holdings Limited
Notes to the Accounts
for the year ended 31 December 2004

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.

Accounting convention

The accounts are prepared under the historical cost convention, in accordance with applicable United Kingdom accounting standards.

Group accounts

The company has taken advantage of the exemption under Section 228 of the Companies Act 1985 not to prepare group accounts because it is a wholly owned subsidiary of another company incorporated in Great Britain which prepares group accounts (see note 17).

Merger relief

In a group reconstruction where section 132 of the Companies Act 1985 applies, any share premium recorded by the company represents the minimum premium value comprising the difference between the cost of investment of the transferor and the aggregate nominal value of the shares issued.

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 17).

Investments

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

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 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.

ntl Investment Holdings Limited
Notes to the Accounts
for the year ended 31 December 2004

1 Accounting policies (continued)

Forward exchange contracts, interest rate and currency swaps

The company uses financial instruments, including forward exchange contracts, interest rate and currency swaps, in its management of exchange rates and interest rate exposures. While these instruments are subject to the risk of loss from changes in exchange rates and interest rates, these losses would generally be offset by gains in the related exposures. Financial instruments are only used to hedge underlying commercial exposures. The company does not speculate in derivative financial instruments. Realised and unrealised gains and losses on forward contracts which hedge firm third party commitments are recognised as income in the same period as the underlying transaction. Net interest paid or received on interest rate swaps is included in interest expense on an accruals basis. Principal amounts underlying currency swaps are revalued at exchange rates ruling at the date of the balance sheet and are included in debtors and creditors. Principal amounts underlying forward exchange contracts are revalued at the forward contract exchange rates and are included in debtors and creditors.

2 Operating profit	2004	2003
	£'000	£'000
This is stated after (crediting)/charging:		
Foreign exchange losses (see note 12)	59,419	-
Impairment credit (see note 4)	<u>(672,799)</u>	<u>-</u>

The directors' and auditors' remuneration is paid by ntl Group Limited and disclosed in the accounts of ntl Cable PLC, its immediate parent undertaking.

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

3 Exceptional items	2004	2003
	£'000	£'000
Loss on debt extinguishment	<u>36,147</u>	<u>-</u>

4 Impairment credit	2004	2003
	£'000	£'000
Release of provision for impairment of amounts due from group undertakings	<u>(672,799)</u>	<u>-</u>

As a result of the settlement of a previously impaired balance owed by a subsidiary undertaking, the related impairment provision was released, giving rise to a credit to the profit and loss account for the year amounting to £672,799,000.

5 Interest payable	2004	2003
	£'000	£'000
Bank loans and overdrafts	180,155	207,496
Interest on loan notes payable to group undertakings	121,887	36,106
	<u>302,042</u>	<u>243,602</u>

ntl Investment Holdings Limited
Notes to the Accounts
for the year ended 31 December 2004

6 Interest receivable

	2004 £'000	2003 £'000
Bank interest	12	-
Interest on loan notes receivable from group undertakings	290,485	316,176
	<u>290,497</u>	<u>316,176</u>

7 Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2004 £'000	2003 £'000
Current tax charge:		
Current tax on profit for the year	-	-
	<u>-</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Total tax charge on profit on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

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

	2004 £'000	2003 £'000
Profit on ordinary activities before taxation	<u>565,688</u>	<u>72,574</u>
Profit/(loss) on ordinary activities multiplied by the applicable statutory rate 30% (2003 - 30%)	169,706	21,772
Income not taxable	(137,573)	-
Other short term timing differences	(10,844)	-
Unrelieved tax losses	(21,289)	-
Utilisation of tax losses brought forward	-	(629)
Group relief without payment	-	(21,143)
Total current tax charge	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

Deferred tax assets of £21,289,189 have not been recognised in respect of tax losses and other timing differences of £10,844,016 as there is insufficient certainty as to the availability of future profits.

ntl Investment Holdings Limited
Notes to the Accounts
for the year ended 31 December 2004

8 Investments

	Total £'000
Cost	
At 1 January 2004	11,850,497
Additions	351,765
At 31 December 2004	<u>12,202,262</u>
Provision for impairment	
At 1 January and 31 December 2004	<u>11,850,497</u>
Net book value:	
At 31 December 2004	<u>351,765</u>
At 31 December 2003	<u>-</u>

On 14 May 2004, as part of a group reorganisation, the company's parent undertaking transferred the ordinary shares it held in Diamond Cable Communications Limited, in exchange for one ordinary share of £1 in the company. On the same date, the company transferred the ordinary shares it held in Diamond Cable Communications Limited to its subsidiary undertaking, ntl Group Limited, in exchange for ordinary shares of ntl Group Limited. The investment cost, at the acquisition date, passed down from the ultimate parent undertaking NTL Incorporated amounted to £351,765,000.

The estimated fair value of the consideration given for Diamond Cable Communications Limited and its subsidiaries was £399 million.

Details of the principal investments in which the company holds more than 20% of the nominal value of any class of share capital, all of which are unlisted, are as follows:

<i>Name of Company</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Principal activities</i>
ntl Group Limited	Ordinary	100%	Telecoms
ntl Business Limited	Ordinary	100%	Telecoms
ntl (Chichester) Limited	Ordinary	100% #	Holding
ntl Rectangle Limited	Ordinary	100% #	Holding
X-Tant Limited	Ordinary	100% #	Telecoms
NTL (Triangle) LLC	Ordinary	100% # (ii)	Holding
National Transcommunications Limited	Ordinary	100% #	Transmissions
ntl Cambridge Limited	Ordinary	100% #	Telecoms
ntl Communications (Ireland) Limited	Ordinary	100% # (iii)	Telecoms
ntl (Aylesbury and Chiltern) Limited	Ordinary	100% #	Telecoms
ntl (Broadland) Limited	Ordinary	100% #	Telecoms
ntl (County Durham) Limited	Ordinary	100% #	Telecoms
ntl (Ealing) Limited	Ordinary	100% #	Telecoms
ntl (Fenland) Limited	Ordinary	100% #	Telecoms
ntl (Hampshire) Limited	Ordinary	100% #	Telecoms
ntl (Harrogate) Limited	Ordinary	100% #	Telecoms
ntl (Kent) Limited	Ordinary	100% #	Telecoms
ntl (Leeds) Limited	Ordinary	100% #	Telecoms
ntl (Norwich) Limited	Ordinary	100% #	Telecoms
ntl (Peterborough) Limited	Ordinary	100% #	Telecoms
ntl (South East) Limited	Ordinary	100% #	Telecoms

Held by a subsidiary undertaking

(ii) Registered in USA

(iii) Registered in Ireland

ntl Investment Holdings Limited
Notes to the Accounts
for the year ended 31 December 2004

8 Investments (continued)

<i>Name of Company</i>	<i>Holdings</i>	<i>Proportion</i>	<i>Nature of business</i>
ntl (South Hertfordshire) Limited	Ordinary	33.3% #	Telecoms
ntl (South London) Limited	Ordinary	100% #	Telecoms
ntl (Wearside) Limited	Ordinary	100% #	Telecoms
ntl (West London) Limited	Ordinary	100% #	Telecoms
ntl (York) Limited	Ordinary	100% #	Telecoms
ntl CableComms Limited	Ordinary	100% #	Telecoms
ntl CableComms Bolton	Ordinary	100% # (i)	Telecoms
ntl CableComms Bromley	Ordinary	100% # (i)	Telecoms
ntl CableComms Bury and Rochdale	Ordinary	100% # (i)	Telecoms
ntl CableComms Cheshire	Ordinary	100% # (i)	Telecoms
ntl CableComms Derby	Ordinary	100% # (i)	Telecoms
ntl CableComms Greater Manchester	Ordinary	100% # (i)	Telecoms
ntl CableComms Macclesfield	Ordinary	100% # (i)	Telecoms
ntl CableComms Oldham and Tameside	Ordinary	100% # (i)	Telecoms
ntl CableComms Solent	Ordinary	100% # (i)	Telecoms
ntl CableComms Staffordshire	Ordinary	100% # (i)	Telecoms
ntl CableComms Stockport	Ordinary	100% # (i)	Telecoms
ntl CableComms Surrey	Ordinary	100% # (i)	Telecoms
ntl CableComms Sussex	Ordinary	100% # (i)	Telecoms
ntl CableComms Wessex	Ordinary	100% # (i)	Telecoms
ntl CableComms Wirral	Ordinary	100% # (i)	Telecoms
Diamond Cable Communications Limited	Ordinary	100% #	Holding
Diamond Holdings Limited	Ordinary	100% #	Holding
Jewel Holdings Limited	Ordinary	100% #	Holding
ntl Midlands Limited	Ordinary	100% #	Telecoms
East Midlands Cable Communications Limited	Ordinary	100% #	Holding
East Midlands Cable Group Limited	Ordinary	100% #	Holding
LCL Cable (Holdings) Limited	Ordinary	100% #	Holding
Virgin Net Limited	Ordinary	100% #	Telecoms
ntl Communications Services Limited	Ordinary	100% #	Service company
ntl Wirral Telephone and Cable TV Company	Ordinary	100% # (i)	Telecoms

Held by a subsidiary undertaking

(i) Unlimited company

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 ntl Cable PLC (see note 17).

The company has taken advantage of section 231(5) of the Companies Act 1985 and disclosed only those investments that have a principal affect on results or assets.

9 Debtors

	2004	2003
	£'000	£'000
Loan notes from group undertakings	961,961	-
Interest receivable from group undertakings	212,783	287,541
Prepayments and accrued income	-	7,083
	<u>1,174,744</u>	<u>294,624</u>
Amounts due after more than one year included above	<u>1,174,744</u>	<u>287,541</u>

ntl Investment Holdings Limited
Notes to the Accounts
for the year ended 31 December 2004

10 Creditors: amounts falling due within one year

	2004	2003
	£'000	£'000
Bank loans	60,000	-
Interest payable on loan notes	92,886	97,048
Accruals and deferred income	36,349	-
	<u>189,235</u>	<u>97,048</u>

11 Creditors: amounts falling due after one year

	2004	2003
	£'000	£'000
Bank loans	2,081,547	2,784,800
Loan notes payable to parent undertakings	820,933	125,653
Long term advances from parent undertakings	942,243	665,207
Convertible Unsecured Loan Notes	445,735	396,321
Amounts due to parent undertakings	-	62,990
	<u>4,290,458</u>	<u>4,034,971</u>

Bank loans are secured over the assets of certain members of the group including those of the company. Bank loans comprise the Senior Credit Facility of £2,425 million, comprising a revolving facility of £250 million which was undrawn as at 31 December 2004 and a term facility of £2,175 million. Interest payable is payable at least every six months at LIBOR plus mandatory costs plus a margin rate depending upon satisfaction of a financial covenant over six monthly periods. The term facility is denominated in a combination of pound sterling, euros and U.S. Dollars.

The effective average annual interest rate on the term facility was 7.13% per annum at 31 December 2004. The principal under the term facility is due in semi-annual instalments beginning September 2004 with an instalment of £8 million and increasing repayments over the term with the balance being due September 2011. Two instalments of £30 million are due in 2005.

Convertible Unsecured Loan Notes due 2058 comprise £76,677,122 of Sterling denominated Convertible Loan Unsecured Notes and \$707,115,400 of U.S. Dollar denominated Convertible Unsecured Loan Notes. The rate of interest on the notes payable to parent undertaking is 15%. These Loan Notes were settled in full in February 2005. The Sterling denominated Convertible Unsecured Loan Notes are convertible into one ordinary share for each £9,736 principal amount and the U.S. Dollar denominated Convertible Unsecured Loan Notes are convertible into one ordinary share for each \$16,192 principal amount. Conversions are at the option of the stockholder.

Long-term advances from parent undertaking have no repayment date and are interest free.

Amounts payable to parent other than the Convertible Unsecured Loan Stock, are repayable on demand and the rate of interest ranged from nil % to 9.75%.

Borrowings are repayable as follows:

	2004	2003
	£'000	£'000
Amounts falling due:		
In more than two years but not more than five years	-	2,784,800
In more than five years	4,290,458	1,250,171
	<u>4,290,458</u>	<u>4,034,971</u>

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

	2004	2003
	£'000	£'000
Bank loan	2,141,547	-
Long term advances from parent undertakings	942,243	665,207
Loan notes payable to parent undertakings	820,933	125,653
Convertible Unsecured Loan Notes	445,735	396,321
Amounts due to parent undertakings	-	62,990
	<u>4,350,458</u>	<u>1,250,171</u>

ntl Investment Holdings Limited
Notes to the Accounts
for the year ended 31 December 2004

12 Derivative investments and hedging activities

The company has obligations in a combination of US Dollars, Euros and Sterling at fixed and variable interest rates. As a result the company is exposed to variability in its cash flows and earnings resulting from changes in foreign currency exchange rates and interest rates. The company has entered into a number of derivative instruments with a number of counter-parties to manage these exposures.

Interest Rate Swaps

The company has entered into interest rate swap agreements to manage the exposure to variability in future cash flows on the interest payments associated with £1,250 million of its outstanding Senior Credit Facility, which accrues at variable rates based on LIBOR. The interest rate swaps allow the company to receive interest based on LIBOR in exchange for payments of interest at fixed rates of 5.30% and 5.10%. The interest rate swaps became effective on 14 October 2004 and mature on 14 April 2007.

Cross-Currency Interest Rate Swaps

The company has entered into cross-currency interest rate swaps with principal amounts of \$920.2 million and €151.0 million in order to hedge the pound sterling value of interest payments on the US dollar denominated 8.75% Senior Notes due 2014, interest payments on the US dollar denominated Floating Rate Notes due 2012, interest payments on the US dollar denominated portion of the Senior Credit Facility, and the interest payments on the euro denominated portion of the Senior Credit Facility. Under these cross-currency swaps, the company receives interest in US dollars at a fixed rate of 8.75% and variable rate based on LIBOR, and in euros at variable rate based on LIBOR, in exchange for payments of interest in pound sterling at a fixed rate of 9.42%, and variable rate LIBOR based on the pound sterling equivalent of \$920.2 million and €151.0 million.

13 Share capital

	2004 £'000	2003 £'000
Authorised:		
1,000,000 ordinary shares of £0.01 each	<u>10</u>	<u>10</u>
Allotted, called up and fully paid:		
121,006 ordinary shares of £0.01 each (2003 - 121,004)	<u>1</u>	<u>1</u>

On 14 May 2004, the company acquired from its immediate parent undertaking, the shareholding of Diamond Cable Communications Limited in exchange for issuing one ordinary share with a nominal value of £1. The investment cost, at the acquisition date, passed down from the ultimate parent undertaking NTL Incorporated amounted to £351,765,000, and represented the minimum premium value recognised under share premium in accordance with section 132 of the Companies Act 1985.

ntl Investment Holdings Limited
Notes to the Accounts
for the year ended 31 December 2004

14 Reconciliation of shareholder's funds and movements on reserves

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2003	-	9,294,120	(16,143,334)	(6,849,214)
Profit for the year	-	-	72,574	72,574
Arising on share issues	1	2,979,069	-	2,979,070
At 1 January 2004	1	12,273,189	(16,070,760)	(3,797,570)
Profit for the year	-	-	565,688	565,688
Arising on share issues on group reorganisation	-	351,765	-	351,765
At 31 December 2004	1	12,624,954	(15,505,072)	(2,880,117)

15 Contingent liabilities

In April 2004, the company, along with fellow subsidiary undertakings, became party to a senior secured credit facility with a syndicate of banks replacing a previous facility which the company was also a party to. The company is a guarantor of borrowings made by certain other group companies under the new facility as it was under the previous facility. At 31 December 2004 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £2,417 million (2003 - £2,785 million). Borrowings under the facility are secured on the assets of certain members of the NTL Group including those of the company.

16 Related party transactions

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

17 Parent undertaking and controlling party

Up to 13 April 2004 the company's immediate parent undertaking was ntl Communications Limited. On 13 April 2004, it became ntl Cable PLC.

The company's results are included in the group accounts of ntl Cable PLC, copies of which may be obtained from ntl, ntl House, Bartley Wood Business Park, Hook, Hampshire RG27 9UP.

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

Copies of all sets of group accounts, which include the results of the company, are available from The Secretary, NTL Incorporated, ntl House, Bartley Wood Business Park, Hook, Hampshire RG27 9UP.

ntl Investment Holdings Limited
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18 Post balance sheet events

On 31 January 2005, the group completed the sale of its broadcast operations comprising all of the ordinary shares of National Transcommunications Limited, a provider of commercial television and radio transmission services, to a consortium led by Macquarie Communications Infrastructure Group, for an aggregate net sale proceeds of £1.24 billion, giving rise to a gain on disposal of approximately £1 billion. The net assets of the Broadcast operations as at 31 December 2004 were approximately £220 million. On 5 February 2005, the group repaid £500 million of its bank debt.

On 9 May 2005, the group sold its operations in the Republic of Ireland, comprising all of the ordinary shares of ntl Communications (Ireland) Limited and ntl Irish Networks Limited and certain additional assets, to MS Irish Cable Holdings B.V., an affiliate of Morgan Stanley & Co. International Limited, for an aggregate purchase price of €333.4 million (£225.5 million). On 14 June 2005 £200 million and on 14 July 2005 a further £23 million of the bank debt was repaid.

On 2 October 2005, NTL Incorporated and Telewest Global Inc announced that they had agreed a framework to combine both businesses. NTL Incorporated and its indirect subsidiary, ntl Investments Holdings Limited, have agreed to a commitment letter with several financial institutions who have agreed to arrange and to underwrite the new credit facilities in respect of this transaction.

On 5 December 2005, NTL Incorporated confirmed that it had approached Virgin Mobile (UK) Holdings plc about a potential offer to combine the ntl and Virgin Mobile businesses.