PrimaCom AG, Mainz, Germany
Interim Consolidated Income Statement
for the six months period ended June 30, 2007

(in thousands)		2007	2006
		unaudited	
	Note	**Euro**	**Euro**
Revenues		58.086	57.901
Operations expenses		(22.221)	(21.930)
Selling, general and administrative expenses		(12.354)	(12.887)
Depreciation and amortization		(18.636)	(21.019)
Other operating income		102	0
		(53.109)	(55.836)
Operating profit before compensation relating to restructuring activities		4.977	2.065
Compensation relating to restructuring activities		0	541
Operating profit after compensation relating to restructuring activities		4.977	2.606
Finance costs		(15.942)	(13.537)
Finance income		0	4.010
Loss before tax		(10.965)	(6.921)
Income tax income	5	660	957
Loss for the year		(10.305)	(5.964)
Thereof attributable to:			
Equity holders of the parent		(10.305)	(5.952)
Minority interests		0	(12)
		(10.305)	(5.964)
Earnings per share			
- Basic, for loss for the year attributable to ordinary equity holders of the parent		-EUR 0.51	-EUR 0.30
- Diluted, loss for the year attributable to ordinary equity holders of the parent		-EUR 0.51	-EUR 0.30

PrimaCom AG, Mainz, Germany
Interim Consolidated Balance Sheet
as of June 30, 2007

(in thousands)		June 30, 2007	Dec. 31, 2006
		unaudited	
	Note	**Euro**	**Euro**
ASSETS			
Non-current assets			
Property and equipment	7	226.377	229.080
Goodwill		204.603	204.603
Other intangible assets		2.685	3.039
Deferred tax assets		12.899	13.724
Other non-current assets		1.956	1.147
		448.520	451.593
Current assets			
Trade receivables		3.425	2.919
Other current assets		7.522	7.464
Cash	4	174	7.952
		11.121	18.335
TOTAL ASSETS		459.641	469.928
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent	9		
Issued capital		52.840	50.614
Share premium		372.994	375.148
Accumulated loss		(390.515)	(380.210)
		35.319	45.552
Minority interests		11	11
Total equity		35.330	45.563
Non-current liabilities			
Interest-bearing loans and borrowings	10	295.512	297.966
Deferred tax liabilities		19.115	20.745
Other non-current liabilities		0	5
		314.627	318.716
Current liabilities			
Trade and other payables		21.342	23.263
Interest-bearing loans and borrowings	10	42.205	39.160
Finance lease liabilities		0	28
Deferred revenue		3.440	1.554
Provisions		42.697	41.644
		109.684	105.649
Total liabilities		424.311	424.365
TOTAL EQUITY AND LIABILITIES		459.641	469.928

PrimaCom AG, Mainz, Germany
Interim Consolidated Statement of Changes in Equity
for the six months ended June 30, 2007

unaudited

		Attributable to equity holders of the parent					
	Note	Issued capital	Share premium	Accumulated loss	Total	Minority interests	Total equity
		EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
As of January 1, 2007		50.614	375.148	(380.210)	45.552	11	45.563
Stock option compensation	9	0	72	0	72	0	72
Shares issued on Management bonus	9	1.687	(1.687)	0	0	0	0
Shares issued on Supervisory Board bonus	9	539	(539)	0	0	0	0
Loss for the year		0	0	(10.305)	(10.305)	0	(10.305)
As June 30, 2007		52.840	372.994	(390.515)	35.319	11	35.330

PrimaCom AG, Mainz, Germany
Interim Consolidated Statement of Changes in Equity
for the three months ended June 30, 2006

unaudited

		Attributable to equity holders of the parent					
	Note	Issued capital	Share premium	Accumulated loss	Total	Minority interests	Total equity
		EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
As of January 1, 2006		50.614	361.367	(365.153)	46.828	429	47.257
Stock option compensation	9	0	122	0	122	0	122
Management bonus	9	0	8.820	0	8.820	0	8.820
Supervisory board bonus	9	0	1.530	0	1.530	0	1.530
Issue of notes with warrants	9	0	3.258	0	3.258	0	3.258
Loss for the year		0	0	(5.952)	(5.952)	(12)	(5.964)
As June 30, 2006		50.614	375.097	(371.105)	54.606	417	55.023

PrimaCom AG, Mainz, Germany
Interim Consolidated Cash Flow Statement
for the six months ended June 30, 2007

(in thousands)	2007	2006
	unaudited	
	Euro	Euro
Cash flows from operating activities		
Loss for the year	(10.305)	(5.964)
Adjustments to reconcile loss for the year to net cash provided by operating activities		
Depreciation and amortization	18.636	21.019
Non-cash finance costs	8.127	6.302
Stock option compensation	72	116
Deferred income taxes	(805)	(1.438)
Gain on fair value change of financial instruments	(829)	(4.010)
Other	2	2
Changes in assets and liabilities		
Trade receivables	(506)	472
Other assets	(47)	(1.207)
Provisions, trade and other payables	(868)	(3.200)
Deferred revenue	1.886	1.888
Net cash provided by operating activities	15.363	13.980
Cash flows from investing activities		
Purchases of property and equipment	(15.638)	(9.374)
Proceeds from sale of property and equipment	61	23
Net cash used in investing activities	(15.577)	(9.351)
Cash flows from financing activities		
Repayments of interest-bearing loans and borrowings	(8.000)	0
Repayments of finance lease liabilities	(28)	(464)
Other	464	2
Cash flows used in financing activities	(7.564)	(462)
Net (decrease)/increase in cash	(7.778)	4.167
Cash at beginning of year	7.952	10.021
Cash at end of year	174	14.188
Supplemental disclosure of cash flow information		
Interest paid	8.820	8.180
Income taxes paid	475	434

PrimaCom AG, Mainz, Germany
Selected Explanatory Notes to the Interim Consolidated Financial Statements

All amounts are in EUR k, unless otherwise stated

1. Corporate Information

PrimaCom AG and subsidiaries ("PrimaCom", "PrimaCom Group" or "the Company") is a German stock corporation with its corporate headquarter in 55124 Mainz, An der Ochsenwiese 3.

Primacom is listed in the General Standard segment of the Frankfurt Stock Exchange. The Company's activities are further described in the note entitled "Segment Information".

The management board approved the publication of PrimaCom's interim consolidated financial statements for the six months ended June 30, 2007, on August 29, 2007.

The interim consolidated financial statements and the interim management report are neither reviewed nor audited in accordance with § 317 HGB.

2. Basis of Preparation

2.1 Accounting Policies

Basis of preparation

The interim consolidated financial statements for the six months ended June 30, 2007 have been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (EUR k) except when otherwise indicated.

The interim consolidated financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2006.

Significant accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2006, except for the adoption of new Interpretations, listed below. Adoption of theses Interpretations did not have any effect on the financial position or performance of the Group.

IFRIC Interpretations 10

The adoption of IFRIC Interpretation 10 "Interim Financial Reporting and Impairment" did not have impact on PrimaCom AG's consolidated financial statements, since no impairment had to be recognized.

Going Concern

Pursuant to IAS 1.23 and IAS 1.24, the financial statements have been prepared by management on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

The Company incurred a loss of EUR 10,305k and EUR 5,964k in the six months ended June 30, 2007 and June 30, 2006 respectively.

The operating and financial flexibility and liquidity of the Company is limited by the terms and conditions of credit agreements in place. These agreements contain financial and operating covenants. If the Company fails to comply

with the covenants and other terms and conditions of these agreements, its debts under the facilities could be repayable before the agreed repayment date. Given that the current market situation requires as much investment flexibility as possible, the Company is currently in negotiation with its banks with a view to adjusting existing credit terms and conditions. These negotiations were necessary as a result of the change of control in the second half of 2006 whereby Orion Cable GmbH and Escaline acquired 26.7% of the shares in PrimaCom AG and credit conditions became less favorable for PrimaCom. Furthermore, the senior loan lenders agreed upon a special repayment of EUR 60m for 2007 as part of the waiver. The Company had planned this debt reduction as part of its strategy of selling cable networks not needed to achieve its business goals, but was not a mandatory credit condition prior the change of control. Corresponding sales negotiations are currently underway with various interested parties. Management believes the Company can meet the new credit conditions. Regardless, however, renegotiation of the restrictive conditions of restructuring financing, which are no longer in line with the market, is urgently required. In this regard, the Company remains extremely optimistic with regard to its chances of success in the ongoing negotiations with the two biggest banks belonging to the existing financing group.

Furthermore, PrimaCom has an unused credit facility of EUR 20,000k consisting of a EUR 5,000k revolving facility and an overdraft facility of EUR 15,000k.

3. Seasonality of operations

Our revenues do not fluctuate from quarter to quarter as we are offering our services consistently throughout the year

4. Cash

For the purpose of the interim consolidated cash flow statement, cash comprised of the following:

	June 30, 2007	December 31, 2006
	unaudited	
Cash at bank and in hand	174	7,952

5. Income Tax

The major components of income tax income in the interim consolidated income statement are:

	For the six months ended	
	June 30, 2007	June 30, 2006
	unaudited	
Current income tax		
Current income tax charge	(145)	(481)
Deferred income tax		
Income relating to origination and reversal of temporary differences	805	1,438
Income tax	660	957

PrimaCom AG, Mainz, Germany
Selected Explanatory Notes to the Interim Consolidated Financial Statements

All amounts are in EUR k, unless otherwise stated

6. Segment Information

Business segments are defined as distinguishable components of an enterprise that are engaged in providing an individual product or service or a group of related products or services that are subject to risks and returns that are different from those of other business segments.

PrimaCom's revenues primarily include monthly subscription fees and, to a lesser extent, installation and connection fees related to its basic analog cable television services and high speed internet access. Revenue also includes monthly subscription fees and, to a lesser extent, installation and connection fees related to digital television services, which in turn includes revenues from both near-video and video-on-demand services. Other major sources of revenue include signal delivery fees charged to other cable television operators for delivering signals to their networks and carriage fees that channel operators pay us in return for routing their channels to the end customer.

Although revenues for the four product categories shown below are regularly reviewed by the chief operating decision maker or decision making group these product categories do not form separate business segments due to the insignificant size of all product categories other than analog cable television service.

Revenues

	For the six months ended	
	June 30, 2007	**June 30, 2006**
	unaudited	
Germany		
Analog cable	48,943	52,293
Digital cable	220	248
High-speed internet	3,721	2,005
Telephony	1,457	450
Other revenue	3,745	2,905
Total revenues	58,086	57,901

7. Property and Equipment

During the six months ended June 30, 2007, the Group acquired assets with a cost of EUR 15,638k (2006: EUR 9,374k).

Assets with a net book value of EUR 61k were disposed by the Group during the six months period ended June 30, 2007 (2006: EUR 20k) resulting in a net gain on disposal of EUR 0k (2006 net gain of EUR 3k).

All amounts are in EUR k, unless otherwise stated

8. Share-Based Payment Plans

Compensation Expense Recognized Under Share-Based Payment Plans

Compensation expense totaled EUR 72k and EUR 116k for the six months period ended June 30, 2007 and June 30, 2006, respectively. It increased the share premium accordingly.

No stock options were granted, exercised, expired or forfeited under both "The 1999 Universal and Executive Share-Based Payment Plans" and "The 2000 Universal and Executive Share-Based Payment Plan" for the six months period ended June 30, 2007 and June 30, 2006 respectively.

9. Equity

Issued Capital

Issued capital was increased by EUR 1,687,263.21 (660,000 no-par value bearer shares) following authorization granted by way of the amendment to the articles of incorporation on March 14, 2006 (partial utilization of approved capital). Art. 5 of the articles of incorporation (amount and classification of issued capital) was changed by supervisory board resolution dated December 7, 2006. The change was entered in the commercial register of PrimaCom AG on March 28, 2007 and issued capital was increased at that date.

Issued capital was increased by EUR 539,011.57 (210,843 no-par value bearer shares) following authorization granted by way of the amendment to the articles of incorporation on March 14, 2006 (partial utilization of approved capital). Art. 5 of the articles of incorporation (amount and classification of issued capital) was changed by supervisory board resolution dated December 7, 2006. The change was entered in the commercial register of PrimaCom AG on May 24, 2007 and issued capital was increased at that date

Share premium

Compensation expense recognized under share-based payment plans totaled EUR 72k and EUR 116k for the six months period ended June 30, 2007 and June 30, 2006, respectively. It increased the share premium accordingly.

In the six months ended June 30, 2006 share premium was further increased by the contribution of Management Bonus EUR 8,820k, Supervisory Board Bonus EUR 1,530k and Warrants EUR 3,258k.

Management Bonus

The management board is authorized to exclude the shareholders' subscription right, with the approval of the supervisory board, in order to utilize a portion of conditional capital of up to EUR 4,244k to issue shares in return for contributions in kind consisting liabilities of the Company under bonus agreements and a termination agreement with past or present members of the Company's management board. This authorization requires a majority approval by 75% of the supervisory board. Because the resolution passed by the shareholder meeting on March 14, 2006 made it possible to pay the management bonus using shares this transaction was treated as an equity-settled share-based payment transaction. This resulted, as adjusted following settlement of shareholder claims, in an increase in the share premium of EUR 8,820k as of March 14, 2006.

Supervisory Board Bonus

The management board is authorized to exclude the shareholders' subscription right, with the approval of the supervisory board, in order to utilize a portion of conditional capital of up to EUR 1,530k to issue shares in return for

contributions in kind consisting of liabilities of the Company under bonuses granted to past or present members of the Company's supervisory board. The issue price of the shares must be at least the average market share price of the ten days prior to the management board resolution to use conditional capital. The authorization requires a majority approval by 75% of the supervisory board. Because the resolution passed by the shareholder meeting on March 14, 2006 made it possible to pay the supervisory board bonus using shares, this transaction was treated as an equity-settled share-based payment transaction. This resulted in an increase in the share premium of EUR 1,530k as of March 14, 2006.

10. Interest-Bearing Loans and Borrowings

We have made principal repayments on the Term A facility in an amount of EUR 8,000k in the six months period ended June 30, 2007.

Alternative Equity Kicker on Series A Notes

As of December 31, 2005, the EUR 50,000k Series A notes were linked to an "alternative equity kicker agreement" under which "phantom option right ("POR")" were granted to the lenders and the Company was obligated for the 10-year term of the series A notes to pay in cash the difference between the current stock quotation and an amount fixed in the agreement.

As of December 31, 2005, the PORs were recognized at their fair market value of EUR 7,268k. As of April 21, 2006, the fair market value of the PORs was EUR 3,258k and the reduction in fair value of EUR 4,010k was recorded as finance income.

Due to the resolution passed by the shareholder meeting on March 14, 2006 the PORs were extinguished through the issuance of warrants on April 21, 2006. The warrants were contributed to share premium.

Alternative Equity Kicker on Series B Notes

On June 16, 2007 the ordinary General Shareholders' Meeting of PrimaCom AG took place and the following main resolutions were passed during that meeting.

Resolution on the issue of notes with warrants

Under the terms of the "Alternative Equity Kicker Agreement" the Company had the right to propose to its General Shareholders' Meeting to replace the Notes connected with Phantom Options by Notes with warrants. The Company requested the General Meeting to approve the issue of notes with warrants by excluding the shareholders' pre-emptive subscription rights and creating a contingent capital to be able to serve the options under the "Alternative Equity Kicker Agreement".

The warrants have the following essential characteristics: a warrant entitles the holder to subscribe for a PrimaCom share against payment of the subscription price of

- EUR 5.00 if the warrants are issued prior to August 8, 2007 or on August 8, 2007
- EUR 4.50 if the warrants are issued after August 8, 2007.

The warrants can be exercised until the fifth anniversary of the issue of the notes with warrants. The warrants are protected against dilution by various provisions.

These Warrants are expected to be issued in the third quarter and will replace the PORs attached to the B Notes.

11. Related Party Disclosures

Transactions with Other Related Parties

The Company uses the services of BFE Nachrichtentechnik GmbH for installation, repair and maintenance of its cable networks, which is indirectly owned by Mr. Wolfgang Preuss, who was a member of the Company's management board until November 30, 2005. For the six months period ended June 30, 2007 and 2006, the Company paid for these services approximately EUR 881k and EUR 292k, respectively.

Mr. Wolfgang Preuss is also a member of the management board of TEKOMAG AG, which provides certain services to the Company pursuant to the resolution of the supervisory board dated July 15, 2004. For the six months period ended June 30, 2007 and 2006, the total payments to TEKOMAG AG were approximately EUR 3k and EUR 10k, respectively.

Mr. Wolfgang Preuss provides certain services to the Company pursuant to a contract dated November 30, 2005. For the six months period ended June 30, 2007 and 2006, the payment to Mr. Wolfgang Preuss was approximately EUR 10k and EUR 137k respectively.

A member of the supervisory board, Mr. Heinz Eble, is a partner of the law firm Rechtsanwälte Kleber Eble & Hock. For the six months period ended June 30, 2007 and 2006, the total payments to Rechtsanwälte Kleber Eble & Hock were approximately EUR 71k and EUR 97k, respectively.

A member of the supervisory board, Dr. Helmut Thoma, provides certain consulting services pursuant to a contract dated May 2, 2006. For the six months period ended June 30, 2007, the payment to Dr. Helmut Thoma was approximately EUR 2k.

Mr. Manfred Preuss, a brother of Mr. Wolfgang Preuss, provided certain services to the Company pursuant to a contract dated July 15, 2004. For the six months period ended June 30, 2007 and 2006, the total payments to Mr.

Manfred Preuss were approximately EUR 2k and EUR 2k, respectively. Mr. Manfred Preuss has been a member of the management board since December 1, 2005.

12. Financial Instruments

Hedging Activities

Under the terms of the 2005 senior credit facility the Company is required to hedge a minimum of 50% of the drawn facility of EUR 280,000k within 90 days of closing. Consequently, on March 1, 2006, the Company concluded a cap of 3.75% and a floor of 2.5% for a total of EUR 140.000k over a period from March 6, 2006 to March 31, 2009. Finance costs include income relating to the change in the fair value of these financial instruments of approximately EUR 832k for the six months period ended June 30, 2007. The fair value of the cap as of June 30, 2007 is EUR 1,768k and is recorded under other non-current assets. The fair value of the floor is below EUR 1k and is recorded under other non-current liabilities.

13. Events after the Balance Sheet Date

On July 6, 2007, the Bundesrat, the chamber representing the federal states, approved the Corporate Tax Reform Act 2008 that the German national parliament, the Bundestag, had already resolved on May 25, 2007. In particular, the 2008 corporate tax reform now passed reduces the corporate income tax rate from 25 percent to 15 percent effective January 1, 2008. This will lower the overall tax burden on profits generated in Germany by corporations like PrimaCom from around 39 percent at present to approximately 30 percent. In the third quarter of 2007, the carrying amounts for deferred tax assets and liabilities must be adjusted to take account of the new rate of taxation. This will result in a one-time deferred tax income due to lower deferred tax liabilities.

Mainz, Germany, August 29, 2007

PrimaCom AG
The Management Board

PrimaCom AG, Mainz, Germany
Group Management Report for the Six Months Ending June 30, 2007

Economic Environment and Outlook

"The cyclical upturn in the German economy continued at the start of 2007. According to initial calculations by the Federal Statistical Office, overall economic output went up by 0.5% in seasonally and calendar-adjusted terms in the first quarter. There was a 3.6% rise compared with the same period in 2006. However economic growth was somewhat slower than the rapid pace of growth in the second half of 2006. This was to be expected given the anticipatory effects in connection with the VAT increase. In terms of the overall outcome, the shortfalls in consumption demand which occurred after the turn of 2006-07 were, however, offset by the fact that the exceptionally mild weather had a positive impact on construction activity."

(Source: Monthly report May 2007 of the Deutsche Bundesbank).

Benefiting from the mild weather in winter 2007 already described above in the report of the Deutsche Bundesbank the Company was able to continue construction activities without disturbances. With this background the investment volume in the first half-year in 2007 (EUR 15.6m) was increased significantly compared with the first half-year in 2006 (EUR 9.4m).

At this investment volume, since the end of June 2006, the Company has been able to increase the number of the ready for service households by 131,935 WE to 337,754 WE as of June 30, 2007.

The number of Internet customers rose in the same period from 19,986 to 37,638 (up 88.3%), and telephony customers rose from 5,302 to 22,700 (up 328.1%)

As such the Company is operating within expected levels.

The number of analog TV customers decreased since end of June 2006 from 911,053 to 861,985. However, of this decrease 14,446 occurred in the first half-year in 2007 while the remaining customers were lost second half-year in 2006.

This development shows that the efforts by the Company to offset the development in analog TV customers by upgrading the cable connections to so-called Triple Play services, is starting to be effective.

In the current market environment upgrading the cable networks is imperative to counteract competitive pressures. This means that during the next years the Company will require investments of considerable scale (approx EUR 145m).

Due to the changed market conditions it will be necessary to change the existing finance structure of the Company in order to meet the above challenges.

Current negotiations with the two largest banks in the syndicate of institutes financing the Company continue to proceed positively. However the negotiations have recently become more difficult due to the current crisis in the financial markets resulting from the mortgage financing crisis in the US.

It is difficult to predict the extent to which this development in the international financial markets will negatively influence the Company's negotiations. In this respect we refer expressly to our comments in the risks and opportunities section.

Situation and Business Development of the PrimaCom AG Group

In the following section, the terms PrimaCom Group and the Group are used as synonyms.

Net Assets and Financial Position. As of June 30, 2007, the Group disclosed consolidated equity of EUR 35.5m (December 31, 2006: EUR 45.6m).

As of June 30, 2007, the Company's liabilities to banks amounted to EUR 337.7m (December 31, 2006 EUR 337.1m), EUR 259.9m of which is attributable to drawings under the senior credit facility and EUR 77.8m to drawings on the mezzanine loan.

Revenues. Revenues mainly comprise monthly subscriber fees and, to a lesser extent, installation and connection fees for the basic analog cable TV package as well as high-speed internet access service. Revenues also include monthly subscription fees and, to a lesser extent, installation and connection fees relating to digital television services, which in turn include revenues from both near-video and video-on-demand services. Other major sources of income include signal delivery fees charged to other cable TV operators for delivering signals to their networks and carriage fees that channel operators pay us in return for routing their channels to the end customer.

Revenues increased by 0.3%, from EUR 57.9m in the first six months of 2006 to EUR 58.1m in the first six months of 2007. In the first six months of 2007 the decrease in revenues from analog subscribers could be compensated by the increase in revenues from new services for the first time

Revenues generated from the basic analog cable TV product fell by 6.4%, from EUR 52.3m in the first six months of 2006 to EUR 48.9m in the first six months of 2007. The decline is attributable to a decrease in fees from an average of EUR 9.48 to EUR 9.40 per customer. Customer numbers also fell by 5.4%. The Group considers the provision and marketing of interactive services to be a much greater source of potential revenues. This is clearly reflected by the 85.6% increase in the contribution to revenues of high-speed internet access services, up from EUR 2.0m in the first six months of 2006 to EUR 3.7m in the fist six months of 2007. The main reason for this development is the increase in the average number of high-speed internet customers. On June 30, 2006, the Group had 19.986 internet customers compared with 37,638 high-speed internet customers on June 30, 2007.

We expect the number of high-speed internet customers, and thus the popularity of ready-for-service households to increase considerably in the next two to five years. Average revenues per customer are likely to be subject to fierce competition. We nonetheless expect high revenue growth in this sector in the next two to five years.

Digital TV revenues remained flat at EUR 0.2m in the first six months of 2006 and 2007. Customer numbers increased slightly from 4,153 on June 30, 2006 to 4,244 on June 30, 2007. A comprehensive relaunch of this product is planned for the second half of 2007.

The following table shows the calculation of ARPU (average revenue per unit), or average monthly revenues per customer, based on IFRS values.

	2006	2005
Revenues (MioEUR)		
Analog.....	48.9	52.3
Digital	0.2	0.2
Internet.....	3.7	2.0
Telephony	1.5	0.5
Other	3.8	2.9
	58.1	57.9
Average number of customers		
Analog.....	867,818	919,739
Digital	4,131	4,260
Internet.....	32,723	18,003
Telephony	17,787	3,555
ARPU (in EUR)		
Analog.....	9.40	9.48
Digital	8.88	9.70
Internet.....	18.95	18.56

EBITDA. In addition to other measurement factors, some of which are shown in the income statement, the Group measures its result using EBITDA, with EBITDA defined as the earnings before interest, taxes, depreciation and amortization. EBITDA and the operating result are reconciled below. We believe that EBITDA provides a meaningful measure of our operating result, as it is the most common method of analyzing and comparing cable TV network operators based on the operating result, debt/equity ratio and liquidity. Under IFRSs, however, EBITDA is not a measure of the Group's result or cash flows from ordinary activities and should not be used as an alternative to the profit/loss for the year as a measure of the Group's financial result or as an alternative to cash flows from operating activities as an expression of liquidity. EBITDA rose from EUR 23.1m in the first six months of 2006 to EUR 23.6m in the first half of 2007. As a percentage of revenues, EBITDA increased from 39.9% in the first half of 2006 to 40.7% in the first six months of 2007. The Group's aim is to continue to increase EBITDA..

Operations expenses. These expenses mainly comprise the signal delivery fees charged to Kabel Deutschland and its private successor network operators in Germany. These, in turn, contain city connections, internet connections and copyright royalty expenses in connection with the repair and maintenance of the Group's networks for employees and materials and amounts paid for other network repair and maintenance work. Operations expenses rose 1.3%, from EUR 21.9m in the first six months of 2006 to EUR 22.2m in the first six months of 2007, whereby easy.TV's costs in the first six months of 2006 were Euro 1.8m compared with Euro 0.8m in the first six months of 2007. Excluding easy.TV, Operations expenses increased by Euro 1.3m mainly due to the increase in variable costs for telephony, Internet feed, city connections and film licences.

Selling, General and Administrative Expenses Selling, general and administrative expenses primarily include salaries and wages of personnel directly involved in the sales and administrative functions of PrimaCom's operating companies, expenses of maintaining operating offices, marketing expenses, costs of consultants used to support operating activities, vehicle expenses, liquidity management expenses, billing expenses, office supplies and other expenses associated with the operation of PrimaCom's networks and services. In the six month period ending June 30, 2007, easy.TV's costs were approximately EUR 1,000k higher than in the prior year corresponding period, but were more or less compensated for by cost reductions in the regular segment. Furthermore, selling, general and administrative expenses consist of personnel expenses for senior management, financial accounting, information technology, product development, licensing fees paid for PrimaCom's billing, subscriber and financial accounting systems, the cost of the corporate office and legal and consulting expenses associated with operations. Non-cash compensation expense related to the stock option plan is also included in this item. Selling, general and administrative expenses decreased by 4.1 from EUR 12.9m in the first six months of 2006 to EUR 12.4m in the first six months of 2007, mainly as a result of a considerable reduction in easy.TV expenses.

Depreciation and Amortization. Depreciation and amortization expense fell by 11.3%, from EUR 21.0m in the first six months of 2006 to EUR 18.6m in the first six months of 2007.

Operating Profit. Operating profit before compensation relating to restructuring activities increased by EUR 3.1m, from EUR 2.1m in the first six months of 2006 to EUR 5.2m in the first six months of 2007, mainly as a result of lower easyTV and depreciation expenses.

Compensation Relating to Restructuring Activities. In the first six months of 2006, compensation relating to restructuring activities was attributable to the EUR 2.4m reduction in the measurement of the provision recognized in 2005 for the management bonus following the resolutions of the extraordinary shareholder meeting on March 14, 2006,the subsequent settlement of legal action challenging those resolutions as well as the grant of restructuring

bonuses of EUR 1.8m for the supervisory board members by the extraordinary shareholder meeting.

In the first six months of 2007, there were no further costs or income for compensation relating restructuring activities.

Finance Costs. Finance costs contain interest incurred for the senior credit facility and the mezzanine loan, lease obligations and other commitments, changes in the fair value of the interest rate derivatives, commitment fees for undrawn credit facilities and the amortization of fees charged by the bank (debt issuance costs) for the grant of credit facilities. Finance costs increased by EUR 2.4m or 17.7%, from EUR 13.5m in the first six months of 2006 to EUR 15.9m in the first six months of 2007. The increase in interest expenses is mainly due to higher Euribor and the accretive interest effect of the Series A and B Notes

Finance Income. The finance income reported EUR 4.0m in the first six months of 2006 was the result of the reduction of the fair value of Phantom Option rights in respect of the Series A Notes

Earnings Before Taxes. As a result of the abovementioned developments, earnings before taxes changed from a loss of EUR 6.9m in the first six months of 2006 to a loss of EUR 10.8m in the first six months of 2007.

Income Tax Income. In the first six months of 2007, income tax income of EUR 0.7m was disclosed compared with an income of EUR 1.0m in the first six months of 2006.

Profit/Loss for the Year. For the reasons described above profit/loss for the year changed from a loss of EUR 6.0m in the first six months of 2006 to a loss of EUR 10.1m in the first six months of 2007.

Liquidity and Capital Resources

The Group has mainly drawn on the following sources of finance to date:

- Cash flows from operating activities
- Sale and leaseback financing
- Bank borrowings

Net cash provided by operating activities amounted to EUR 14.0m in the first six months of 2006 compared with EUR 15.4m in the first six months of 2007.

In the six months ended June 30, 2007, the Group's net cash used in investing activities amounted to EUR 15.6m compared with cash outflows of EUR 9.4m in the corresponding prior-year period.

Net cash used in financing activities came to around EUR 7.6m in 2007 compared to EUR 0.5m in 2005. The net outflows in the first six months of 2007 relate principally to scheduled loan repayments under our senior credit facility of EUR 8.0m.

Of the investments in property and equipment of EUR 15.6m in the first six months of 2007, the majority went to preparations for the launch of internet and telephony services, the replacement of electronic components and network upgrading. The Group's capital expenditure obligations in connection with concession or franchise agreements or the like are limited; capital expenditure is, however, likely to be necessary in certain cases to upgrade existing cable systems in the future. Where cash flows are not sufficient to finance operating expenditure, debt servicing, tax expenses and capital expenditure, the Group intends to raise the relevant funds through bank loans.

The Group believes that EBITDA is a more accurate measure of fixed cost coverage than the performance indicators from the income statement. EBITDA from the respective periods is not only available to cover interest expenses, it can also be used for other operating purposes, for example, to boost working capital, repay loans and for capital expenditure. For the six months ending June 30, 2007, EBITDA amounted to EUR 23.6m.

Terms and Conditions of Refinancing

The refinancing of the PrimaCom Group led to the discharge of the existing senior loans at PrimaCom Management GmbH and the second secured loans at PrimaCom AG. In their place, PrimaCom AG raised a mezzanine facility of EUR 69m on December 5, 2005 and PrimaCom Management GmbH a new senior facility of EUR 300m.

The mezzanine facility at PrimaCom AG consists of series A notes of EUR 50m, repayable together with accrued interest in one amount in 2015 and series B notes of EUR 19m, repayable together with accrued interest plus a 5% premium on December 5, 2006.

The mezzanine loans were paid out after deduction of a discount of 2.5% or EUR 1.725m. The discount is amortized using the effective interest method over the terms of the A and B notes, respectively.

For the series B notes, the Company agreed on an extension of the original terms of the facility until December 31, 2007. Another premium of 5% is due on repayment. The series B notes can be repaid using proceeds from the sale of cable networks or by conversion of the notes in accordance with the terms of the series A notes. Conversion is conditional on a defined debt/equity ratio of less than or equal to 6.0 as of November 30, 2007.

PrimaCom Management GmbH entered into a new credit facility of EUR 300m, EUR 280m of which had been drawn upon as of the closing date, December 5, 2005. The remaining revolving credit facility of EUR 20m consists of a revolving credit of EUR 5m and an overdraft of EUR 15m.

The credit facilities drawn upon comprise a term A facility of EUR 100m, a term B facility of EUR 90m and a term C facility of EUR 90m, repayable by 2012, 2013 and 2014, respectively. The outstanding amounts under the series A, series B and series C notes include interest at the EURIBOR rate plus a margin of 2.35%, 2.85% and 3.35%, respectively.

The outstanding amounts of the abovementioned revolving credit facility include interest at the EURIBOR rate plus a margin of between 1.65% and 3.35%, depending on the ratio of total indebtedness to annualized earnings before interest, taxes, depreciation and amortization ("EBITDA").

The credit facility is secured by, among other things, claims to all Company receivables from cable TV business, concession agreements, cable networks and shares in all Company subsidiaries. In addition, the facility agreement contains customary covenants, which, among other things, require the Company to maintain specified ratios relating to cash flow and total debt. Furthermore, there are restrictions preventing the Company under certain circumstances

from incurring debt, encumbering assets, lending funds to third parties or assuming liabilities, disposing of assets and paying dividends or making distributions.

Under the terms of the credit facility, the available commitment amount is reduced in quarterly amounts to the amounts reflected below as of December 31 of the years indicated:

Year ended	**Available commitment and overdraft (EUR k)**
2007	288,000
2008	272,000
2009	256,000
2010	240,000
2011	224,000

As of June 30, 2007, the Company had EUR 20m unused availability under the credit facility. The interest rate on the revolving credit facility was 6.75% as of June 30, 2007.

Risks and Opportunities

- ***Risks and Opportunities in Connection With the Business Activities of the Company***

The Company recognized a loss for the year with positive operating cash flows and, if it is not in a position to generate profits in the future, the value of the Company and its shares could fall.

As part of its efforts to generate a profit, the Company plans to continue upgrading its network on an extremely selective basis and to develop new products, including broadband services, which will lead to further capital expenditure. This selective upgrading and product development will allow the Company to offer value-added services, which the Company believes will help it increase revenues per customer on a selective basis in the future. At the same time, the Company will strive to reduce its operating expenses; these efforts encompass the installation of its own head-end for reception of channels directly via satellite instead of via the Kabel Deutschland network, especially in those cases where Kabel Deutschland's usage fees have gone up. The Company will continue to expand the feedback channel capacity of existing and new networks and thus expand its portfolio for customers to include telephone and internet services. These measures strengthen the competitiveness of the Company and enhance its ability to considerably improve revenues per customer within the scope of service expansion. The Company cannot guarantee the success of this strategy or that it will be in a position to generate profits in the future. If the Company is not in a position to generate profits in the future, the value of the Company and its shares may be negatively impacted.

The Company's credit agreements contain restrictive covenants which could under certain circumstances be infringed, thus leading to financial and operating problems.

The operating and financial flexibility and liquidity of the Company is limited by the terms and conditions of credit agreements in place. These agreements contain financial and operating covenants. If the Company fails to comply with the covenants and other terms and conditions of these agreements, its debts under the facilities could be repayable before the agreed repayment date. Given that the current market situation requires as much investment flexibility as possible, the Company is currently in negotiation with its banks with a view to adjusting existing credit terms and conditions. These negotiations were necessary as a result of the change of control in the second half of 2006 when Orion Cable GmbH and Escaline acquired 26.7% of the shares in PrimaCom AG and credit conditions became less favorable for PrimaCom. For example, the possibility of using note B financing of EUR 19m from Sculptor Investors S.à.r.l., Luxembourg, by drawing on contractually agreed convertibles (into shares in the Company) ceased to exist and was not replaced. Furthermore, the senior loan lenders agreed upon a special repayment of EUR 60m for 2007 as part of the waiver. The

Company had planned this debt reduction as part of its strategy of selling cable networks not needed to achieve its business goals, but was not a mandatory credit condition prior the change of control. Corresponding sales negotiations are currently underway with various interested parties. Management believes the Company can meet the new credit conditions. Irrespective thereof, renegotiation of the restrictive conditions of restructuring financing which are no longer in line with the market is urgently required. In this regard, the Company has continued negotiations with the two biggest banks belonging to the existing financing group. However the negotiations have recently become more difficult due to the current crisis in the financial markets. The resulting climate of uncertainty has had a negative influence on refinancing conditions. Furthermore the banks have become more sensitive to changes in risk following the US mortgage crisis which has now begun to affect other market segments. Further developments are difficult to predict. If the current crisis continues over the next few months it might not be possible to complete negotiations of less restrictive credit conditions. As described above, this could lead to the Company's debts becoming repayable before the agreed repayment date with the resulting negative consequences.

The Company has no government franchises and serves its customers through concession agreements with housing companies in Germany. Any inability on the part of the Company to extend these agreements at economically appropriate conditions could have a negative effect on its business.

Contrary to the cable market in the US, the German authorities do not grant cable network operators franchise territories. Instead, the Company mainly serves its German customers on the basis of concession agreements with housing companies in charge of large apartment blocks. Against the backdrop of these concession agreements, which are subject to regular extension, the Company faces fierce competition. If the Company fails to extend these concession agreements or if the housing companies terminate these agreements upon or prior to their expiry, the drop in customer numbers could have a negative impact on the Company's operating profit.

The interest rates on the Company's debt are variable or rise over the course of time. These rising interest rates could negatively impact cash flows.

The Company's credit facilities are subject to variable interest rates. At present, the Company's floating-rate liabilities amount to around EUR 337,717k (net of debt issuance costs recognized in the balance sheet). An interest rate increase would lead to higher interest expenses on these credit facilities. Higher interest rates would therefore have a correspondingly negative effect on cash flows and the Company's ability to repay its debts. Furthermore, the proportion of interest to be paid in cash for the second secured convertible

loan increases over time, which will have a negative effect on the Company's cash flows and debt servicing.

Due to the fact that the Company is dependent on third parties for some of its broadband services, it may become unable to procure or replace these services at acceptable conditions and it may have problems with third parties.

The Company does not produce and own all of the broadband services it offers its customers. As well as the risk of not being able to procure or replace these services at favorable conditions, the Company sees a variety of other risks.

Its competitors have exclusive rights to channels that the Company might want to offer its customers in the future and could restrict the Company's access to such channels or charge the Company fixed fees for using these channels, regardless of the number of customers who actually receive them. In addition, regulatory restrictions could limit the Company's ability to determine which channels it wants to offer. If the Company cannot procure a sufficient number of these new services at economically favorable conditions, either independently or with partners, demand for the Company's services could fall, thereby reducing income.

The Company's business plan anticipates increased demand for broadband applications; if demand for these services does not rise as expected, however, the Company's financial results could be negatively impacted.

The Company's business plan is based on the assumption that use of internet, e-commerce, data services, cable or internet-based telephony services and other broadband applications will soar in the next few years in Germany. The Company also believes that there will be greater demand for telephony in the future. Based on this assumption, the Company made substantial investments in this field in the past. Due to financial restrictions, however, the Company only plans to make selective investments in upgrading its networks to support broadband services in the future. If the distribution of broadband applications does not increase or develops more slowly than expected, however, demand for many of the Company's services many not reach the anticipated level, which would likely put a damper on price flexibility, operating profit and finances.

Based on the Company's experience on the market for telephony services, it also believes that the market for cable telephony services and voice calls via the internet (voice over IP) could prove particularly hard to crack due to tough competition, price pressure and the existence of

established telephony operators. Furthermore, the Company expects competition from wireless telephony providers and new participants on the European telephone market.

If the Company is unable to react to competitive pressure on a timely basis, implement new technologies and be quick to respond to changing customer needs on new markets, or if its new or improved services are not received well on the market, the Company might not be able to compete efficiently.

With regard to TV signals, the Company faces increasing competition from satellite and digital/terrestrial TV as well as other broadcasting methods and the offering of Deutsche Telekom with its state-of-the-art DSL networks, which could negatively affect Company growth and leader to customer migration.

Competition for customers from other signal transmission methods could lead to the Company being unable to expand its customer base or losing customers. The Company also faces increased competition from other methods of transmitting TV signals to households, such as:

- digital/terrestrial;
- analog and digital satellite broadcasting systems to private households ("DTH"); and
- shared satellite dishes, particularly in areas where cable is not popular.

Various companies in Germany provide DTH (direct to home). These companies could be in a position to use their considerable financial resources and exclusive sport and entertainment channel agreements to further penetrate the market and compete with the Company for customers.

Under certain circumstances, the Company may not be able to keep up with the rapid technological developments in the cable TV and broadband industry, which could give rise to considerable costs for the implementation of new technologies.

To remain competitive, the Company must continue to launch new services and increase and improve the functionality, availability and features of its networks. The cable TV and broadband industry faces the following challenges:

- Rapid and significant technological change
- Changes in usage patterns and customer needs and priorities

- Frequent introduction of new products and services in connection with new technologies
- Introduction of new industry standards and practices which render current Company technologies and systems obsolete

The Company cannot predict the effect of technical innovations on its business. Furthermore, the Company cannot guarantee that it will be in a position to successfully implement new technologies or adapt new technologies to meet customer needs within an appropriate timeframe. The cost of implementing new technologies or changing from one technology to another could also – once implementation is underway – prove considerable, as, given the funds available to the Company after debt servicing and the financing options available to the Company for the implementation or change, such measures would essentially be dependent on the Company's ability to raise additional financing.

Broadcasters could offer channels to company competitors exclusively or at more favorable conditions and demand minimum payments for some channel events, all of which could have a negative impact on company business.

Broadcasters could offer channels to competitors exclusively or at more favorable conditions (in terms of price and availability). Even if the Company manages to increase the number of customers served from its own head-ends to reduce signal transmission fees paid to Kabel Deutschland, formerly a wholly-owned subsidiary of Deutsche Telekom sold to a group of investors led by Goldman Sachs, Apax and Providence in 2003, it still faces this competitive risk. This risk could become greater if satellite broadcasters establish themselves to a greater extent in Germany.

Company margins and cash flows in Germany could decrease due to increased signal transmission expenses or a lack of customer satisfaction.

As of June 30, 2007, around 40% of company customers were served by networks that receive channels on the basis of signal transmission agreements with Kabel Deutschland and private successor operators. It is possible that fees will be increased again in the future. Any increase in fees resulting from channel transmission agreements that cannot be passed on to the customer in the form of higher fees could have a negative effect on the Company's operating margins and lead to the loss of those customers who decide to swap cable TV for direct TV reception or other reception technologies.

If payments are fixed based on the transmission of analog TV channels, this could have a negative impact on the Company's margins and cash flows unless it can pass these additional costs on to the customer.

In the past, the purpose of the Company was to provide analog TV channels to customers via its cable TV networks. Like other cable network operators, the Company generally did not have to pay broadcasters for these analog channels. Some or all broadcasters could, however, demand payment for these analog channels in the future. If this was the case and the Company was unable to pass these charges on to its customers, its margins and cash flows would diminish.

The Company might have to pay copyright fees for transmitting channels to customers, which would reduce its margins and cash flows if these amounts exceeded the amounts set aside for copyright fees.

Like all other German cable network operators, the Company must pay copyright fees for transmitting channels it receives from sources other than Kabel Deutschland and private successor operators.

The extensive regulation of the broadband industry could restrict the business activities of the Company and, in turn, hinder its business plans.

The Company is subject to considerable legal control and may from time to time fail to comply with all administrative and licensing requirements of the regulatory authorities. Furthermore, the Company will have to observe amendments and additions to legal provisions in the future. Problems relating to these regulatory measures could restrict the competitiveness of the Company. Changes to German federal or state law on the regulation of licensing, setting up and operating cable TV and broadband cable networks (including the regulation of license issuance, the business activities of Deutsche Telekom and network integration agreements) could restrict the Company's operations and hinder its business plans.

Due to the recent allocation of frequency bandwidths in Germany, the Company may be prevented from using some of the bandwidths it currently uses for transmission. If this were the case, the change to new frequencies could prove more difficult and costly for the Company than currently anticipated.

In May 2002, three new ordinances on the allocation, use and issue of frequencies came into effect in Germany. The frequency allocation ordinances regulate the "free usage" of frequencies without obtaining individual authorization, approval or any other decision from the regulatory authorities. Under certain circumstances, it allows free usage of frequencies between 9kHz and 30MHz in and along conductors in the Company's cable networks. The prerequisites are that (i) interference from the conductors does not exceed the specified limits, and (ii) the frequencies are not used for certain security purposes identified as such by the German regulatory authorities. If the above conditions are not met, the German regulatory authorities decide on a case-by-case basis whether the Company may use the relevant frequency. Prior to granting usage authorization for frequencies, the authorities could impose certain restrictions or conditions on the Company. Furthermore, the same conditions for frequencies of between 30MHz and 3GHz have been in place since July 1, 2003. As a result of this regulation, the Company could be prevented from using some or all of the relevant frequency bandwidths for transmitting channels via its cable networks. If this were the case, the Company might have to invest in its German networks to continue providing its current services.

If the competition authorities in Germany were to classify the Company as "market-dominant", it would be subject to stricter regulation, which could affect customer fees and potentially limit the operating scope of the Company.

In 2006, the German Federal Networks Agency ["Bundesnetzagentur": BNetzA] ascertained that the Company was not market-dominant.

German media institutions could demand that the Company transmit popular channels in analog and not just digital format, which could have a negative effect on the growth and development of its digital cable TV services.

The success of the Company's digital services will, to a large extent, depend on its ability to transmit high-quality digital channels. The Company can therefore try to expand its digital customer base by providing popular channels as a digital service only. Implementation of this strategy, however, could be hindered if German media institutions demand that these channels also be provided in analog format. The availability of the same channels in analog format could restrict the Company's ability to attract digital customers and increase income from cable subscriptions.

The Company's internet offering could be subject to regulation, which could lead to higher costs or limit the Company's service offering.

Internet services in Germany have not been subject to strict regulation through laws and legal provisions to date. However, a number of internet services in Germany are regulated by legal provisions regarding license issuance, publication obligations and content. If such regulation were to come into effect for the Company, its costs and operating complexity could rise.

Furthermore, the legal and regulatory framework applicable to the internet are undefined and subject to change. More specifically, new laws and legal provisions could be passed, and existing laws and legal provisions applied to the internet and e-commerce. New and existing laws, for example, cover the following areas:

- Sales subject to VAT or other taxes
- Protection of users' privacy
- Price control
- Features and quality of products and services
- Consumer protection
- Cross-border trade
- Libel and defamation
- Electronic signatures
- Transfer security
- Copyright, infringement of trademark and patent rights
- Spam, phishing and other internet crimes

- Traffic data retention (archiving of log files) and content filtering
- Notification systems
- Lawful intervention

Each new law or legal provision or the uncertainty connected with its effect could lead to cost hikes and hinder the Company's business development and revenue growth.

As the Company does not insure a large part of its subterranean cable network, it might have to bear the full cost of any damage incurred to these uninsured networks, which could have a negative impact on its financial result.

Any disaster affecting a major part of the Company's subterranean cable networks could lead to a considerable uninsured loss and negatively affect its results of operations and financial position. Although the Company has insured its property under a general liability insurance policy, it does not ensure large parts of its subterranean cable networks in Germany. The Company plans to continue insuring its property under a general liability insurance policy only.

- ***Risks Relating to Escaline's Equity Investment in the Company***

Escaline's interests may vary dramatically from those of the Company's other shareholders.

As of June 30, 2007, Escaline S.à.r.l (hereinafter also referred to as "Escaline") directly and indirectly via subsidiaries held approximately 25.58% of the shares in the Company. As long as Escaline holds a significant shareholding in the Company and depending on the number of shares held by other shareholders represented at the Company's shareholder meeting, both Escaline and its affiliated company Orion Cable GmbH (hereinafter also referred to as "Orion") could exert a significant influence on the resolutions regarding the Company passed at the shareholder meeting. Other resolutions passed at the shareholder meeting in the future could relate to the following:

- Mergers or other business combinations
- Significant acquisitions or disposals of assets
- Future issues of shares or other securities
- Dividend distributions in relation to company shares

- Major changes to the Company's articles of incorporation

The interests of Escaline regarding decisions on company matters and the factors the relevant company takes into account when exercising its controlling influence could differ from the interests of other company shareholders.

Escaline's equity investment and the resulting indirect interest of Orion in the Company could deter third parties from acquiring control of the Company. This also relates to transactions that could be of financial advantage to the Company and its shareholders. Any indication that Escaline plans to sell its equity investment in the Company could negatively influence the price of PrimaCom stock.

The equity investment of Escaline and its affiliated company Orion in the Company limits the possibility of a third party acquiring a majority shareholding in the Company for as long as Escaline retains its shares. As a result, Escaline's equity investment could deter a third party from making a takeover bid for shares in the Company or any other attempt to gain control of the Company. This also relates to transactions that could be of economic advantage to the Company and its shareholders.

Events after the Balance Sheet Date/Subsequent Events

Outlook

The most significant event after the balance sheet date is clearly the takeover offer received from one of the Company's large shareholders Orion Cable represented by Omega I S.à r.l ,a company registered in Luxemburg.

On July 7, 2007 Orion announced that they had reached a decision to make a voluntary takeover offer to the shareholders of PrimaCom AG. The takeover offer was posted on in the website of Telecolumbus under the link www.telecolumbus.de/omega. With the takeover offer Omega wishes to acquire a minimum of 50.1% or 11,920,088 of the Company's shares for a price per share of EUR 10.00. The offer contains certain preconditions which will not be repeated here as they can be read in the above offer.

On August 1, 2007 a large shareholder of PrimaCom, Kabel Deutschland GmbH together with two smaller shareholders reacted to the takeover offer by requesting the convening of an extraordinary general shareholder meeting in accordance with Sec. 122 (1) AktG ["Aktiengesetz": German Stock Corporation Act]. The Company has responded by inviting shareholders to an extraordinary general meeting on September 4, 2007.

On August 8, 2007 the Company published on its website http://www.primacom.de/investor/uebernahmeangebot.php a joint statement of the supervisory and management boards on the takeover offer by Omega. The statement concluded that the offer is adequate on a "stand alone" basis but did not offer any participation for PrimaCom shareholders in possible synergies arising out of a merge of Orion and PrimaCom. The supervisory board and management, for the time being, have not made a recommendation for action to shareholders due to the possibility of a counter offer.

The members of the management and supervisory boards who also hold shares in the Company have unanimously declared that they have not yet reached any decision regarding their own shareholdings.

Mainz, Germany, August 29, 2007

PrimaCom AG
The Management Board

Declaration of the Board of Management:

We confirm, to the best of our knowledge, that the Condensed Consolidated Interim Financial Statements and the Interim Group Management Report have been prepared in accordance with the generally accepted accounting principles for interim financial reporting under IFRS and give a fair presentation of SGL Group's net assets, financial position and results of operations. The Interim Group Management Report presents a true and fair view of the actual operations of the Group, including the results of operations and the position of the Group, and describes the material prospects and risks of the Group's future development in the remainder of the fiscal year.

Mainz, Germany, August 29, 2007

PrimaCom AG
The Management Board