

This preliminary term sheet comprises only a summary of the terms of the proposed issue of convertible notes (the "Bonds"). The information herein is indicative only. Although the indicative information herein is reflective of the terms of the Bonds contemplated as of the time of this communication, there is no assurance that the Bonds will actually be issued. The Bonds will be issued on the basis of expanded terms and conditions (the "Terms and Conditions") that are expected to be delivered to investors prior to or upon settlement. Before making any investment decision and entering into any transaction in relation to the Bonds, you should take all necessary steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives. You should make sure that you have sufficient information available in relation to Cancom SE before making an investment in the Bonds, since this term sheet and the final Terms and Conditions will be the only information made available prior to or upon settlement.

The definitive terms of the transaction described herein will be described in the final version of the Terms and Conditions of the Bonds. Investors should not subscribe for any Bonds referred herein except on the basis of information contained in the final version of the Terms and Conditions of the Bonds when available. Investors may obtain a copy of the final version of the Terms and Conditions of the Bonds from the Joint Bookrunners.

CANCOM

Regulation S Only

EUR 45 million Convertible Bonds due 2019
convertible into no par value ordinary bearer shares of Cancom SE

Not for distribution in or into Canada, Japan, the United States or Australia or any other jurisdiction in which offers or sales of the securities would be prohibited by applicable law

Summary Terms and Conditions

Strictly not to be forwarded or distributed by any recipient

Issuer:	Cancom SE
Securities Offered:	Euro denominated convertible notes (the " Bonds "), convertible into new and/or existing (at the discretion of the Issuer) no par value ordinary bearer shares of the Issuer (the " Shares ")
Status of the Bonds:	Senior, unsecured obligations of the Issuer
Offering Size:	EUR 45 million
Underlying Shares:	1,055,510 Shares of Cancom SE initially (Bloomberg: COK GY, Reuters: COKG.DE, ISIN: DE0005419105)
Form:	The Bonds will be in bearer form, represented by a global certificate to be held permanently by Clearstream Banking AG, Frankfurt, in its book-entry system, with a register of holders
Currency:	Euro (" EUR ")
Rating:	The Bonds will not be rated, the Issuer is not rated
Conversion Right:	Unless previously redeemed, the Bonds will be convertible into Shares at the option of the holder from (and including) 41 calendar days after the Issue Date until (and including) 13 March 2019 (10 trading days prior to Maturity Date), subject to certain excluded periods
Maturity Date:	27 March 2019 (5 years from the Issue Date)

Principal Amount:	Euro 100,000 per Bond (the "Principal Amount")
Issue Price:	100% of the Principal Amount
Redemption Price:	100% of the Principal Amount
Coupon:	0.875% per annum payable annually in arrear on 27 March in each year, commencing on 27 March 2015 (Act/Act, following business day convention, unadjusted)
Yield to Maturity	0.875%
Conversion Premium:	20% above the Reference Price
Reference Price:	EUR 35.5278 per Share, the Volume Weighted Average Price ("VWAP") of the Shares on XETRA on the Pricing Date from the time of launch to pricing
Conversion Price:	EUR 42.6334 per Share initially
Conversion Ratio per Bond:	2,345.5788 Shares per Bond initially
Cash Payment in Lieu of Delivery of Shares in Certain Circumstances:	Yes, but only if due to legal reasons the Issuer is unable to issue Shares from conditional capital, and, at its own discretion, does not deliver treasury shares upon exercise of a Conversion Right
Early Redemption at the Option of the Issuer:	On or after 11 April 2017, by giving not less than 30 nor more than 60 calendar days' notice, the Issuer may at any time redeem the Bonds in whole, but not in part, at their Principal Amount, plus interest accrued thereon to but excluding the date of redemption if the daily VWAP of a Share on at least 20 out of 30 consecutive Trading Days ending not earlier than 5 Trading Days prior to the publication of the redemption notice exceeds 130% of the then applicable Conversion Price.
Clean-Up Call:	The Issuer may redeem, by giving no less than 30 nor more than 60 calendar days' notice, the Bonds in whole, but not in part, at their Principal Amount, plus interest accrued thereon up to but excluding the date set for such early redemption if at any time the aggregate Principal Amount of Bonds outstanding falls below 15% of the Principal Amount at issue
Anti-Dilution Protection:	Standard German market anti-dilution provisions (as described in the Terms and Conditions)
Dividend Protection:	Protection for any cash dividend, above an aggregate dividend of EUR 0.40 per Share in respect of any Financial Year
Change of Control Conversion Price Adjustment:	When the Issuer gives notice of a Change of Control the Conversion Price upon any exercise of Conversion Rights on or before the Effective Date will be adjusted pursuant to the following formula:

$$CP_a = \frac{CP}{1 + Pr \times \frac{c}{t}}$$

where

CP_a = the adjusted Conversion Price

CP = the Conversion Price immediately prior to the date on which the Change of Control occurs

Pr = the initial conversion premium of 20%

c = the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date; and

t = the number of days from and including the date of issue of the Bonds to but excluding the Maturity Date

There will be no adjustment of the Conversion Price if CP_a would, by applying the above formula, be greater than CP

A "**Change of Control**" shall be deemed to have occurred at each time that either (i) any person or persons acting in concert or on behalf of any such Relevant Person(s), at any time directly or indirectly hold legal or beneficial ownership of Shares of the Issuer carrying, in the aggregate, 30 per cent. or more of the voting rights in the Issuer, (ii) in the event of a take-over offer for Shares of the Issuer, whether mandatory or voluntary, a situation in which (x) Shares already in the direct or indirect legal or beneficial ownership of the bidder and/or Persons acting in concert with the bidder and Shares in relation to which the tender offer has already been accepted, carry in aggregate more than 30 per cent. of the voting rights in the Issuer and (y) the offer has become unconditional (other than for conditions relating to regulatory, in particular merger control, approvals and other conditions the satisfaction of which may remain pending following the end of the initial acceptance period) or (iii) the Issuer has sold or transferred all or essentially all assets to another person or other persons.

Delisting Event:

A "**Delisting Event**" occurs if (i) the Shares cease to be listed and admitted to trading on the Frankfurt Stock Exchange; or (ii) trading of the Shares on the Frankfurt Stock Exchange is suspended for a period of 10 consecutive Trading Days or for more than 15 Trading Days in any period of 30 consecutive Trading Days, provided trading of the Shares is not considered to be suspended on any Trading Day on which a general suspension of trading on the Frankfurt Stock Exchange has occurred.

Investor Put upon Issuer Change of Control / Merger / Delisting Event:

Bondholders may require the Issuer to redeem their Bonds in the event of (i) a Change of Control, (ii) a merger where the Issuer is the transferor entity and the shares of the acquiring entity are not listed on a regulated market in the EEA ("**Merger**") or (iii) a Delisting Event, in each case against payment of the Principal Amount plus accrued interest thereon until (but excluding) the Effective Date. Notice of redemption must be given not less than 10 calendar days prior to the Effective Date. The Effective Date will be published in the notice of an Issuer Change of Control, Merger or Delisting Event (as applicable), and will be not less than 40 nor more than 60 calendar days after publication of the notice

Negative Pledge:

Yes, in respect of the Issuer and its Material Subsidiaries in respect of Capital Markets Indebtedness (as defined in the Terms and Conditions)

Events of Default:

Standard Euro-market events of default in relation to the Issuer and its Material Subsidiaries

"Material Subsidiary" means any Subsidiary of the Issuer (x) that has total assets as shown in the latest audited non-consolidated annual accounts (or, if such Subsidiary itself prepares consolidated annual accounts, whose consolidated total assets as shown in the latest audited consolidated annual accounts) of such Subsidiary and used for the purpose of preparing the latest audited consolidated annual accounts of the Issuer, of at least 3% of the total assets as shown in the latest audited consolidated annual accounts of the Issuer and its consolidated subsidiaries or (y) that contributes 3% or more of the annual revenue of the Issuer on a consolidated basis

Cross Default: Yes, in respect of the Issuer or any Material Subsidiary subject to a threshold of EUR 3 million

Tax Call/Gross-Up: None

Selling Restrictions: There are restrictions on the offer, sale, and delivery of the Bonds, inter alia, in the United States and the United Kingdom

Private placement to institutional investors only under Regulation S (Category 1)

No sale/ distribution in the U.S., to investors in Canada, Australia or Japan

Please also refer to "Important Information" below

Offering Documents: The offering is being conducted solely on a private placement basis with institutional investors. No prospectus, offering circular or similar offer prospectus will be prepared in respect of this offering. No measures will be taken by the Issuer, the Joint Bookrunners or any other person to allow for a public offering of the Bonds in any jurisdiction. Investors will only receive this indicative term sheet, the Terms and Conditions of the Bonds, and after pricing, the pricing terms. Investors will need to take their investment decision based solely on publicly available information

Listing: Application is intended to be made for the Bonds to be included on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange, and such listing is expected no later than one month after the Issue Date

Lock Up: 6 months from the Issue Date for the Issuer

Use of Proceeds: The company intends to use the proceeds of the Bonds, less transaction costs, to finance acquisitions and increase its financial flexibility

Governing Law: German

Launch/ Book building Date: 20 March 2014

Expected Pricing Date: 20 March 2014

**Closing Date/
Settlement Date/ Issue Date:** Expected on or around 27 March 2014

Joint Bookrunners Berenberg, Commerzbank AG

Clearing System: Clearstream Banking AG, Frankfurt; book-entry

Strictly Private and Confidential

20 March 2014

Common Code: 104962238
ISIN: DE000A11QF36
German WKN: A11QF3
Paying & Conversion Agent: Commerzbank AG

Calculation Agent Conv-Ex Advisors Limited

Settlement Agent: Commerzbank AG

Disclaimers: Important - your attention is drawn to the section "Important Information", and any purchase of the Bonds will be deemed to be made in acceptance and acknowledgement by you of and subject to (i) the terms of such disclaimers and (ii) the final terms and conditions in respect of the Bonds which all purchasers are deemed to have reviewed and found satisfactory, prior to closing.

Please request a copy of the terms and conditions if you have not received them.

IMPORTANT INFORMATION

For further information on this transaction, please call your regular contact at the Joint Bookrunners

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In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds and within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Commerzbank Aktiengesellschaft and Joh. Berenberg, Gossler & Co. KG, are acting exclusively for Cancom SE and no-one else in connection with the offering. They will not regard any other person as their respective clients in relation to the offering and will not be responsible to anyone other than Cancom SE for providing the protections afforded to their respective clients, nor for providing advice in relation to the offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

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