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**THIRTY-SEVENTH PUBLIC REPORT
PURSUANT TO ARTICLE 73A OF THE DUTCH BANKRUPTCY ACT**

Bankruptcy	Date Bankruptcy	End Bankruptcy	Bankruptcy no. / District Court	
KPNQwest N.V.	31-05-2002		02/133	Haarlem ¹
KPNQwest IP Services B.V.	05-06-2002	28-07-2017 ²	02.0225 02/143	Amsterdam Haarlem
KPNQwest Services International B.V.	05-06-2002	25-08-2017 ³	02.0221 02/139	Amsterdam Haarlem
KPNQwest Assets International B.V.	05-06-2002	25-08-2017 ⁴	02.0222 02/140	Amsterdam Haarlem
KPNQwest Ebone Holding B.V.	05-06-2002	25-08-2017 ⁵	02.0223 02/141	Amsterdam Haarlem
Ebone (Nederland) B.V.	07-06-2002	25-08-2017 ⁶	02.0226 02/149	Amsterdam Haarlem
KPNQwest Carrier Services B.V.	18-07-2002		02.0308 02/195	Amsterdam Haarlem
KPNQwest Operations B.V.	18-07-2002	20-10-2017 ⁷	02.0304 02/191	Amsterdam Haarlem
KPNQwest Corporate Development B.V.	18-07-2002		02.0305 02/192	Amsterdam Haarlem
KPNQwest Services Netherlands B.V.	18-07-2002		02.0306 02/193	Amsterdam Haarlem
KPNQwest Assets Netherlands B.V.	18-07-2002	20-10-2017 ⁸	02.0307 02/194	Amsterdam Haarlem
Global TeleSystems Europe B.V.	02-08-2002	03-09-2015 ⁹	02.0328 02/199	Amsterdam Haarlem
Global TeleSystems Europe Holdings B.V.	02-08-2002	13-06-2014 ¹⁰	02.0329 02/200	Amsterdam Haarlem
KPNQwest Communication Services B.V.	20-01-2004		04.36 F	Amsterdam
Date of this report:	8 November 2017			
Date of previous (thirty-sixth) public report:	8 May 2017			
Supervisory judge:	D.P. Ruitinga, Haarlem District Court (as from 25 August 2015)			

¹ As a result of a redivision of the courts, the Haarlem District Court has been incorporated into the District Court of Noord-Holland. For the sake of brevity, the bankruptcy trustees only refer to Haarlem District Court in this report, which, where applicable, means the District Court of Noord-Holland, location Haarlem.

² As a result of the plan of final distribution becoming binding.

³ Ditto.

⁴ Ditto.

⁵ Ditto.

⁶ Ditto.

⁷ Ditto.

⁸ Ditto.

⁹ Ditto.

¹⁰ Ditto.

Bankruptcy trustees:	mr. M. Windt Windt Le Grand Leeuwenburgh Coolsingel 104 3011 AG Rotterdam	mr. T.H. Otten Houthoff Postbus 1507 3000 BM Rotterdam
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1. GENERAL

- 1.1. In this report, the bankruptcy trustees provide information on the status of the estate and the wind-up of the bankruptcies. They also make reference to previous reports. This is an informal and unofficial English translation of the report. This English version cannot be relied on in court; only the Dutch version is valid as a public report.
- 1.2. No individual public reports will be published for each company. However, an intermediate financial report will be drawn up for each bankruptcy because, with the exception of deviations, the starting point is a joined but non-consolidated wind-up.
- 1.3. The bankruptcy trustees do not vouch for the accuracy of the information in this report and the reporting is only intended as general information for acknowledged and validated creditors in the bankruptcies in question. The bankruptcy trustees exclude liability for damage resulting from any incorrect or incomplete information, and more specifically they note that no rights can be derived from this information, that this information is not suitable or intended as a basis for any

transaction or investment decision (or abandoning a transaction or decision), including a decision to purchase or sell, in particular but not limited to matters that are related to the jurisdiction of the United States of America.

2. ACKNOWLEDGED AND DISPUTED CLAIMS

- 2.1. The lists of acknowledged claims and the record of the creditors' meeting of 20 May 2014 regarding KPNQwest N.V. have been published on the website www.houthoffinsolvency.com.

3. CLAIM AGAINST EBCON

- 3.1. As explained in previous reports, a settlement was made in respect of the claim of KPNQwest Corporate Development B.V. on the companies N.V. Ebcon Holding and N.V. Ebcon Networks (hereinafter jointly referred to as “**Ebcon**”), with part of the claim (EUR 22,500,000) being validated as unsecured debt. In addition, subordination of the claim of KPNQwest Corporate Development B.V. was agreed with the other unsecured creditors, up to a threshold of EUR 300,000. If there are surplus estate assets after full payment of the estate debts, the preferential claims and the non-subordinated unsecured creditors, these will be used to pay the subordinated debts. In a settlement agreement dated 31 January 2013, Ebcon's bankruptcy trustee and the bankruptcy trustees of KPNQwest Corporate Development, among others, agreed that in such event KPNQwest Corporate Development B.V. may expect to receive 55% of the remaining estate assets.
- 3.2. The claims in question depend on the two liability proceedings that Ebcon's bankruptcy trustee (E.C.M. Wagemakers) has initiated against some (former) directors, namely one against Mr Ebben Jr and Mr Geerts together and one against Mr Soetekouw.
- 3.3. On 5 September 2017 the closing argument was delivered in the case against Ebben and Geerts.
- 3.4. On 27 November 2015, the case was argued in the proceedings against Soetekouw. A decision on the pending proceedings against Soetekouw (the claim under Art. 6:162 of the Dutch Civil Code from Ebcon's bankruptcy trustee) will be made simultaneously with the counterclaims in the case between Ebcon's bankruptcy trustee and Ebben and Geerts, due to the close connection that would justify a joinder.
- 3.5. The final judgment is expected to be delivered before the end of 2017. The bankruptcy trustees monitor the proceedings and to that end regularly contact Ebcon's bankruptcy trustee.

4. POSITION OF BANKS IN THE BANKRUPTCY

- 4.1. The position of the banks in the bankruptcy has been discussed in detail in previous public reports. These reports describe how on 16 December 2004 the bankruptcy trustees entered into

an agreement (the “**Settlement Agreement**”) with Citibank. A division of the revenues was agreed in this Settlement Agreement, which the bankruptcy trustees and/or Citibank and/or one of the financiers received after 29 May 2002 or will receive from (the bankruptcy trustee of) KPNQwest Finance B.V. (“**KQ Finance**”).

- 4.2. The bankruptcy trustees can claim some of these revenues, as defined in the agreement. The revenues that will be received from the bankruptcy of KQ Finance will be divided between Citibank and the bankruptcy trustees in the following manner:

Revenues from	Bankruptcy trustees	Citibank
Pledged claims, besides those of KPNQwest Assets Italia SRL	25%	75%
Pledged claims of KPNQwest Assets Italia SRL	50% with a maximum of EUR 1 million	50% of the first EUR 2 million and 100% of the rest
All other revenues	25%	75%

- 4.3. KPNQwest N.V.'s estate received a total amount of EUR 39,092.75 in the fifth distribution of KQ Finance.

5. POSITION OF TAX AUTHORITIES IN THE BANKRUPTCY

- 5.1. The bankruptcy trustees had a sizeable total claim of EUR 3,297,474.31 against the tax authorities regarding the reimbursement of VAT. An amount of (i) EUR 1,204,696 had been set off previously, (ii) EUR 1,208,320.38 was received in February 2016 and (iii) an amount of EUR 803,295.85 has been set off against the outstanding claim of the tax authorities against KPNQwest IP Services B.V. KPNQwest N.V. still has an outstanding claim of EUR 174,910.03 against the tax authorities regarding the reimbursement of VAT.
- 5.2. As payments were also made to employees in the second distribution in the bankruptcy of KPNQwest N.V., agreements had been made with the tax authorities in advance about the withholding of income tax and national insurance contributions.

6. BANKRUPTCY KPNQWEST FINANCE B.V.

- 6.1. Mr de Roy van Zuidewijn was appointed bankruptcy trustee in the bankruptcy of KPNQwest Finance B.V. This bankruptcy has ended. KPNQwest Finance B.V. received money as a result of the payments made by the bankruptcy trustees. In compliance with Article 194 of the Dutch Bankruptcy Act, Mr de Roy van Zuidewijn recently made a further payment to creditors, including to the estate of KPNQwest Carrier Services B.V. and the estate of KPNQwest Services Netherlands B.V.

7. SECOND INTERIM DISTRIBUTION IN KPNQWEST N.V.

- 7.1. As explained in detail in the interim public reports of 3 June 2014 and 11 July 2014, the bankruptcy trustees made a first distribution in the various bankruptcies of the KPNQwest group. The distribution plans drawn up by the bankruptcy trustees have been published on the website.
- 7.2. The bankruptcy trustees were able to make a second distribution in the bankruptcy of KPNQwest N.V. in July 2016. A plan has been made to - shortly - wind up almost all of the subsidiaries. Also refer to section 11 of this report about this subject.

8. APPORTIONMENT OF COSTS AND BENEFITS

- 8.1. As explained in the interim report of 16 March 2016, the bankruptcy trustees entered into an agreement between the individual estates with the purpose of making final arrangements about the costs incurred and some income received together. This agreement has since been implemented.

9. COMMITTEE OF CREDITORS

- 9.1. On 9 October 2012, the supervisory judge appointed a creditors' committee of KPNQwest N.V., made up of the members (i) Elliott International L.P., (ii) Tax Authorities Noord and (iii) Mr J. van Diggele. The bankruptcy trustees published the appointment decision on their website. The creditors' committee has met on a regular basis. The committee has given advice on, among other matters, some of the subjects discussed above. The Tax Authorities are no longer a member because they are no longer a creditor. After the first distribution in KPNQwest N.V. (see 7.1) the committee has not met any more, nor has a request been made for a meeting. If and insofar as further decision-making of bankruptcy trustees still requires, the bankruptcy trustees will continue to involve the creditors' committee in the further wind-up of the bankruptcies.

10. ADMINISTRATIVE RECORDS STORED IN SCHIEBROEK

- 10.1. The bankruptcy trustees had stored the extensive physical records in a rented storage space. The notice of termination has since been given for the storage space rented by the bankruptcy trustees.
- 10.2. The storage space rented by the bankruptcy trustees was delivered on 1 July 2017. The most frequently consulted boxes of information have been stored elsewhere; the digital environment has already been copied by SBV Forensics B.V., who were engaged by the bankruptcy trustees, and is accessible.

11. BRIEF EXPLANATION CONCERNING EACH OF THE BANKRUPT COMPANIES

1. In Ebone Nederland B.V., Ebone Holding B.V. and KPNQwest IP Services B.V. the nil

distribution plans were made available for inspection. Account was given.

2. In Global Telesystems Europe B.V., the after-acquired asset in the estate will be liquidated and distributed pursuant to Article 194 of the Dutch Bankruptcy Act (see for more details section 12).
3. In KPNQwest Assets International B.V., KPNQwest Assets Netherlands B.V., KPNQwest Operations B.V. and KPNQwest Services International B.V., the final distribution plans that were approved and filed with the court registry became binding on 24 August 2017.
4. KPNQwest Carrier Services B.V. and KPNQwest Services Netherlands B.V.: the final distribution will be made after the distributions have been made in respect of KPNQwest Assets International B.V., KPNQwest Assets Netherlands B.V., KPNQwest Corporate Development B.V., KPNQwest Operations B.V. and KPNQwest Services International B.V., because money from these distributions still flows into the estate of KPNQwest Carrier Services B.V. via KPNQwest Finance B.V.
5. KPNQwest Corporate Development B.V.: As set out in section 3 of this report, KPNQwest Corporate Development B.V. has a claim against Ebcon. For the time being, the bankruptcy trustees will either wait for the revenues or sell the claim before they can make the final distribution.
6. KPNQwest Communication Services B.V.: this liquidation is awaiting the wind-up of subsidiary EUNet Inc. In the past, an amount of around USD 500,000 (see bankruptcy report 27) was found in the escrow account (*consignatiekas*) of the state of Nevada in the US, where it had been deposited by Citibank from an unused bank account which, after investigation, proved to belong to EUNet Inc. The bankruptcy trustees intend to liquidate EUNet Inc. again (or arrange for its liquidation) and to pay the money to sole shareholder KQ Communiion Services B.V. In cooperation with US counsel, EUNet Inc. has since been revived as KPNQwest EU Net Inc. It has been investigated whether under Dutch or US tax law the distribution of dividend will have any tax consequences. In this respect the bankruptcy trustees are trying to find out whether during the time the deposited amount was in a Citibank account, it generated income deriving from interest on which corporation tax must be paid under Dutch or US tax law. To this end, the bankruptcy trustees sent requests for information to parties such as Citibank and their forensic accountant. The conclusion from this investigation is that this information is not available. In consultation with US counsel, nil tax returns and franchise tax reports have since been prepared and submitted to the relevant US authorities. As no response has been received yet, the liquidation process will be continued.
7. If the previous steps are made, also KPNQwest N.V. will be terminated with what is expected to be a third final distribution of the relatively little remaining resources (see the financial reports for more information).

12. AFTER-ACQUIRED ASSET IN GTS EUROPE B.V.

- 12.1. In the reporting period an after-acquired asset (the “**Asset**”) has been identified. The Asset is an amount of approx. EUR 600,000 for the benefit of GTS Europe B.V. (“**GTS**”). In 1999 ING België provided two bank guarantees on the instructions of GTS for the Swiss and the French tax authorities, which eventually never made a request for payment under the bank guarantee, as a result of which the credit balance held as counter security now becomes available.
- 12.2. On 4 October 2017 the district court issued a decision in which it ordered the bankruptcy trustees to proceed to the liquidation and distribution of the Asset in the estate of GTS Europe B.V. on the basis of the plan of final distribution that had become binding before.

13. PUBLIC REPORTS

- 13.1. Pursuant to Article 73a of the Dutch Bankruptcy Act, general information regarding the bankruptcies is provided to creditors by means of the regular public reports. In the public reports, the bankruptcy trustees aim to describe the most important developments in the bankruptcy. If creditors or other parties involved identify factual inaccuracies or if they would like more detailed information, they can inform the bankruptcy trustees of this in writing or by e-mail. The bankruptcy trustees will take such requests into account when drawing up a next public report or, if there is reason to do so, issue a separate (publicly available) press release or notice on that subject.
- 13.2. The public reports (in Dutch) can be inspected via the Central Insolvency Register (<http://insolventies.rechtspraak.nl/>). The Dutch version can also be found on the websites of the bankruptcy trustees (www.houthoffinsolvency.com and www.windtlegal.com). In the event of any difference between the Dutch report and this English translation, the Dutch version prevails.
- 13.3. The bankruptcy trustees advise creditors who wish to stay informed of the latest developments in this bankruptcy to regularly consult the public sources, including the website of the bankruptcy trustees.

Rotterdam, 8 November 2017

M. Windt

T.H. Otten